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CIA HISTORICAL STAFF

The DCI Historical Series

GENERAL WALTER BEDELL SMITH
AS DIRECTOR OF CENTRAL INTELLIGENCE
OCTOBER 1950 - FEBRUARY 1953

VOLUME II BEDELL SMITH TAKES COMMAND

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December 1971

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THE DCI HISTORICAL SERIES

DCI - 1

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GENERAL WALTER BEDELL SMITH
AS DIRECTOR OF CENTRAL INTELLIGENCE
OCTOBER 1950 - FEBRUARY 1953

VOLUME II BEDELL SMITH TAKES COMMAND

by

Ludwell Lee Montague

December 1971

HISTORICAL STAFF
CENTRAL INTELLIGENCE AGENCY

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General Walter Bedell Smith
As Director of Central Intelligence
October 1950 - February 1953

Volume II Bedell Smith Takes Command

I. The Selection of Smith and Jackson

It is a pity that a qualified civilian could not have been found for this key post. But, barring a civilian, Gen. Bedell Smith is, by common consent, a good choice.

-- *The Washington Post*
21 August 1950

President Truman could not have made a better choice.

-- *The New York Times*
22 August 1950

A. The Search for a New DCI

From the time of the submission of the Dulles Report to the National Security Council in January 1949, it was understood in that circle that Admiral Hillenkoetter had to be replaced as DCI.¹/_{*} Souers, however, insisted that Hillenkoetter could not be

* For serially numbered source references, see Appendix A.

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relieved until his successor had been chosen and was immediately available to take over. The reason was that there was no Deputy Director at CIA who could serve as Acting Director.* It took 21 months to satisfy Souers's requirement.

Hillenkoetter himself was quite willing to be relieved, especially after the adoption of NSC 50 (July 1949). He had never wanted to be DCI. It had been a painfully frustrating and thankless experience. He was convinced that the Survey Group, General McNarney, and the National Security Council had never understood the problem, that they had all been misled by a clever clerk, Robert Blum. At about the time that he emphatically rejected Armstrong's four proposals (December 1949), he suggested that the proper place for a sailor was at sea.² His transition from shocked passivity to aggressive reaction, as with regard to the "Webb Staff Study," probably reflected a realization that he was a short-timer with nothing to gain and nothing to lose.

* The Survey Group had condemned Wright even more severely than it had Hillenkoetter. Wright departed for another assignment on 10 March 1949 and was not replaced.

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One reason for the long delay in finding a successor to Hillenkoetter was President Truman's antagonism toward his Secretary of Defense, Louis Johnson.^{3/} The Secretary proposed the appointment of General Joseph McNarney, which was a good idea. The author of NSC 50 would certainly have known what action it required. He had a forceful character which would have been able to exercise "forthright leadership" in the IAC. As the ruthless four-star "Manager" of the Department of Defense, he was already regarded with awe by the military members of the IAC. But Truman would not consider McNarney, because he had been proposed by Johnson. The Secretary suggested other names, but none of them was ever seriously considered.^{4/}

Secretary of State Acheson, on the other hand, was unwilling to suggest anyone to succeed Hillenkoetter unless the President expressly asked him to do so, which he never did.^{5/} There can be no doubt that Armstrong would have proposed Allen

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Dulles* -- perhaps he did, within the Department -- but Acheson knew that Truman would never appoint Dulles, who was closely identified with Dewey. Thus, despite his great reputation in the field, his at least nominal authorship of the Dulles Report, and his evident ambition to be DCI, Allen Dulles was never even considered as a possible successor to Hillenkoetter.6/

Gordon Gray, the Secretary of the Army, nominated himself to be the DCI and was a very active candidate, but was never seriously considered.7/

When it became more widely known that a successor to Hillenkoetter was being sought, there arose some public demand that a civilian be appointed (as had been recommended in the Dulles Report), but apparently there was no demand for the appointment of Dulles. William Donovan, William Foster, J. Edgar Hoover, and Dean Rusk were mentioned,** but

* See Volume I, pp. 72 and 92.

** Donovan was practicing law in New York. Foster was Acting Administrator, Economic Cooperation Administration. Hoover was even then the long-time Director of the Federal Bureau of Investigation. Rusk was Deputy Under Secretary of State.

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none of them was seriously considered by the President. Apparently the President did sound out Robert Lovett and David Bruce,* but both declined the appointment.8/

B. The Selection of Bedell Smith

One morning in May 1950, Sidney Souers again reminded the President of the need to find a successor to Admiral Hillenkoetter. The President's response was, "How would Bedell Smith do?"9/

That Smith would be a good choice was probably Truman's own idea. He had held Smith in high regard as his ambassador to Moscow and believed that Smith really understood the Russians. He would have considered, moreover, that a general who had been an ambassador should be agreeable to both State and Defense. It is unlikely that the President's consideration went much deeper than that,10/ but he may have taken into account Smith's reputation as an able and forceful organizer and manager. He may also have considered that Smith's personal

* Lovett had recently resigned as Under Secretary of State to return to Brown Brothers, Harriman & Company. Bruce, who had been the director of OSS operations in Europe during the war, was Ambassador to France.

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prestige and three-star rank would insure his ascendancy over the military members of the IAC.

Souers thought that Smith would do very well indeed. The trouble was that Smith had long suffered severely from a stomach ulcer and was even then in Walter Reed General Hospital for treatment.^{11/} This time the medics did not let him go until they had operated to remove most of his stomach.*

Bedell Smith did not want to be Director of Central Intelligence. Several times he begged off, with reference to the state of his health.^{13/} His intention at the time was to retire from the Army and to seek a remunerative position in industry or the presidency of a university.^{14/} But it is unlikely that President Truman considered anyone else after he had thought of Smith. In addition to Truman's own predilection, Averell Harriman, who joined the White House staff late in June, was strongly urging Smith's appointment.^{15/} Even the President of the

* This operation solved the ulcer problem, but Smith never recovered his former robust appearance. Lacking a stomach, he was simply undernourished. That condition may have aggravated his irritable impatience (see Volume I, pp. 11-13), but was not the prime cause of it.^{12/}

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United States, however, had to wait to see how well Smith would recover from his operation.

On the 25th of June North Korean forces invaded South Korea. On the 27th the President decided to commit US air and naval forces in support of the South Koreans; on the 30th he committed US ground forces as well.^{16/} At some time during those last days of June, Admiral Hillenkoetter asked directly to be reassigned to duty at sea.^{17/} To request such an assignment in time of war was, for him, an honorable way out of an impossible situation.*

In late July or early August, when it became evident that Bedell Smith would make a good recovery from his operation, the President ordered him to accept appointment as Director of Central Intelligence.^{18/} It was an order that General Smith could not refuse in a time of national peril. His view of the gravity of the changed situation is indicated by the fact that, as DCI, he persuaded several reluctant men to come to CIA by convincing them that World War III was imminent.^{19/}

* He was eventually assigned to command the cruisers of the Seventh Fleet, in the Far East.

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Smith's nomination was announced to the press on 18 August and sent to the Senate on the 21st. He appeared before the Senate Armed Services Committee on the 24th. No member of that committee was in any doubt regarding his qualifications, but Senator Saltonstall inquired, for the record, regarding his health. Smith declared that, as a result of his operation, his health was now better than it had ever been during the war (1942-45).^{20/} The Senate confirmed his appointment unanimously, on 28 August.

The confirmation of Smith's appointment to be DCI had been treated as a matter of the utmost urgency yet his entry on duty was postponed, first until late September, ultimately until 7 October. That delay must have been found necessary in order to give him more time in which to recover his strength and to prepare for the heavy task that he was to assume.

C. The Selection of William Jackson

Having told the President that he would accept appointment to be the Director of Central Intelligence, Bedell Smith spoke privately to Sidney Souers. "I know nothing about this business," he said. "I shall need a Deputy who does."^{21/}

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Souers suggested William H. Jackson, whom he considered to be the preferable member of the late NSC Survey Group. In particular, Jackson had represented the "cooperative" approach to the coordination of intelligence activities, which had been Souers's own approach. Souers considered that Dulles's interest and experience were too narrowly confined to clandestine operations, a minor and incidental part of the DCI's responsibilities, and that Dulles represented the "dictatorial" (OSS) concept of coordination.22/*

When Smith returned to Governor's Island, he called up Jackson in New York and invited him to lunch at the 21 Club. Jackson was surprised by this invitation from "the Ogre of SHAEF" and was disposed to evade it, but Smith was urgent and Jackson finally accepted. Jackson did not know that Smith was to be DCI, and consequently had no idea what Smith's purpose was.23/

* Whatever may be thought of Donovan, Dulles certainly was not "dictatorial" as DCI (1953-61).

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At this luncheon Smith turned on his charm and Jackson was surprised to discover that "the Ogre of SHAEF" had a great sense of humor. But when Smith presented his proposition, Jackson recoiled in dismay. He was then intent on making a fortune at Whitney & Company. If he left there to go to Washington, he would have everything to lose and nothing to gain. Moreover, he did not intend to expose himself to being bawled out by a "tyrannical soldier." At that, Smith laughed and said that his bark was worse than his bite.

Smith appealed to Jackson's patriotism. The war in Korea might be the opening move of World War III. Smith knew nothing about intelligence and needed Jackson's help. Smith would take care of external relations (the President, the NSC, the IAC) and would rely on Jackson to accomplish the internal reorganization of CIA in accordance with NSC 50. In the end, Jackson agreed to come for six months on three conditions: (1) a free hand in reorganizing CIA; (2) [REDACTED]

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[REDACTED]

and (3) no

bawlings out.24/

When Smith's appointment was publicly announced, on 18 August, Smith immediately announced that William H. Jackson would be his Deputy.25/

D. Smith's Preparation for the Task

Bedell Smith was not as ignorant of intelligence as he made out to Souers and Jackson. As Secretary of the War Department General Staff and of the Joint Chiefs of Staff, 1939-42, he had become well aware of the inadequacies of the departmental intelligence agencies and the joint intelligence committee system. For that reason, no doubt, he concerted with William Donovan to create the Office of Strategic Services directly subordinate to the Joint Chiefs of Staff.** Both men probably expected that OSS, in that

[REDACTED]

** Smith considered that he had saved Donovan and the COI organization from extinction at that time. Donovan acknowledged that Smith had been helpful in the creation of OSS.26/

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relationship, would make a more direct contribution to strategic planning than it was in fact able to do, trammelled as it was by the departmental intelligence agencies and the Joint Intelligence Committee.^{27/}

Even after his departure to become Eisenhower's Chief of Staff, Smith remained interested in the idea of a centralized and professional intelligence service. On 9 September 1943, as the US Fifth Army was storming ashore at Salerno, Smith took time out from the cares of that day to request of Donovan a written exposition of his views on that subject. Donovan's response was a document almost as formidable as its title: "The Need in the United States on a Permanent Basis as an Integral Part of Our Military Establishment of a Long Range Strategic Intelligence Organization with Attendant 'Subversion' and 'Deception of the Enemy' Functions."^{28/}

* Be it noted that in 1943 Donovan conceived of this "strategic intelligence organization" as an integral part of the military establishment -- indeed, as a fourth service, coequal with the Army, Navy, and Air Force -- which shows that he was thinking primarily of paramilitary operations.^{29/} In 1944 he returned to the idea of a coordinator of information reporting directly to the President and responsible only to him, which had been his conception in 1941.

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As Chief of Staff in Algiers, Smith demonstrated his personal disdain for joint committees. When a newly arrived G-2, British Brigadier Kenneth Strong, suggested that Smith might wish to obtain the views of the local JIC established by his predecessor, Smith replied, with his customary vigor: "We've hired you for your knowledge and advice. If you are wrong too often, we'll fire you and hire someone else to take your place."30/

Thus made personally responsible, Strong forgot his British upbringing and assumed personal authority. He convened his JIC on occasion, for consultation and coordination of activities, but there was no doubt about who was in charge. The intelligence estimates that Strong submitted to Eisenhower and Smith were Strong's own personal estimates -- made with the aid of an able staff, of course.

Smith was impressed by Strong's success in getting good intelligence from a staff composed of many disparate elements: British, American, and French; Army, Navy, and Air Force. It was a fully integrated staff under the direction of a single strong and able mind, not a collection of

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representatives. Smith must have contrasted its smooth efficiency with the contentions that had wracked the US JIC in Washington.

The high value that Smith put upon Strong's services as G-2 is indicated by the furious quarrel that he had with General Sir Alan Brooke, Chief of the Imperial General Staff, over the latter's refusal to transfer Strong from AFHQ to SHAEF. Smith thought this to be a matter of sufficient importance to warrant the use of his ultimate weapon, an appeal by Eisenhower over Brooke's head to Churchill.31/

The surprise achieved by the German offensive in the Ardennes in December 1944 was potentially embarrassing for the G-2, SHAEF. There was talk of an intelligence failure. But on all occasions Smith loyally declared that Strong had given ample warning of the possibility, which had been disregarded by Smith himself and others. Smith learned an important lesson from this experience, one that he remembered as DCI: that the most prescient intelligence is unavailing unless delivered in such a way as to make an impact on the minds of opinionated decision-makers.32/

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When Bedell Smith came himself to be Director of Central Intelligence, he had in mind the model of an effective director of intelligence. That model was Kenneth Strong, who had been able to get British, American, and French soldiers, sailors, and airmen to work effectively together by exerting a vigorous and decisive leadership.

Bedell Smith was not in Washington when the Donovan Plan, JIC 239/5, the McCormack Plan, JCS 1181/5, the Lovett Report, the President's letter, and the Dulles Report were under consideration,* and there is no indication that he ever studied any of those papers. Jackson was quite sure that he had never read the Dulles Report. Neither did he discuss CIA problems with Jackson before they took office. Jackson was not surprised by that. Smith had delegated to him the internal reorganization of CIA. He would expect Jackson to submit plans for his approval. Until then, he was not concerned. Conversely, he did not seek Jackson's

* See Volume I, Chapters II and III.

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advice on how to handle the IAC. That was his business in the agreed division of labor.^{33/}

At the Armed Services Committee hearing on his nomination (24 August), General Smith declared that, deliberately, he had studied only two documents. One was the National Security Act of 1947. The other was the Hoover Task Force report on the Agency -- that is, the Eberstadt Report.^{34/} Both of those documents were available to the members of the committee. (The Hoover Commission had reported to the Congress as well as to the President.) Smith was tactful in not referring to any classified Executive document to which the senators would not have had access. It is of interest that he had read the Eberstadt Report, for it was a good deal more sympathetic toward CIA than the Dulles Report had been.*

On 23 August (the day before Smith's appearance before the Senate committee in Washington), Lawrence Houston, the CIA General Counsel, took to Smith at Governor's Island an organization chart of CIA on which the names of the incumbent officers had been

* See Volume I, p. 89.

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entered, at Smith's request. Smith took advantage of the opportunity to question Houston at length regarding the problems confronting CIA and requested Houston to produce a memorandum on the subject.35/

Houston's memorandum was dated 29 August 1950. With regard to the coordination of intelligence activities, he pointed out that, as a result of the requirement to obtain IAC agreement, the recommendations submitted to the NSC had not been those of the DCI, as Congress had intended, but instead had been watered down compromises, replete with loopholes and therefore ineffectual. The compromised language of the NSCID's had, indeed, enabled the IAC to pretend to be advisory to the NSC and a board of directors supervisory to the DCI.36/

With regard to the production of estimates, Houston pointed out that the departmental intelligence agencies tended to disregard CIA's overt collection requests, that they withheld intelligence information from CIA on various pretexts, that they imposed intolerable delays in the process of coordination, that their action on draft estimates was generally governed by policy and budgetary considerations, and

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that their dissents were often insubstantial and quibbling.^{37/}

Houston noted also a number of specific problems -- for example, [REDACTED] with the JCS regarding the status of CIA in time of war. His general conclusion was that the solution to all these problems required the grant of adequate authority to the DCI to achieve coordination by direction without relying any longer on a spirit of cooperation and goodwill.^{38/*}

To support this memorandum, Houston attached to it seven documents. They were:

(1) CIA's draft revision of NSCID No. 1, as sent to Under Secretary Webb on 26 July.**

(2) A draft covering memorandum to the NSC designed to explain and justify this proposed revision of NSCID No. 1.

(3) The current NSCID No. 1, dated 19 January 1950 -- that is, as revised pursuant to NSC 50.

* The tone of this conclusion reflects the desperation felt in CIA after four years of futile effort to achieve effective coordination by IAC agreement.

** See Volume I, pp. 103-104.

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(4) A memorandum by the General Counsel, dated 27 September 1949, interpreting the intent of the National Security Act of 1947...

(5) The "Webb Staff Study," dated 1 May 1950, and the "corrected" version sent to CIA on 14 August.*

(6) JIC 445/1, "The Wartime Status and Responsibilities of the Central Intelligence Agency and Its Field Agencies," 25 July 1950.

(7) CIA's response to JIC 445/1, a memorandum from Hillenkoetter for Magruder dated 16 August 1950.

General Smith evidently studied those documents carefully, for he later showed himself to be familiar with them. He did not, however, adopt the conclusion that Houston derived from them.**

Finally, General Smith must have studied NSC 50. He may also have discussed it with Souers and McNarney.

During September, in addition to studying these documents, Bedell Smith discussed the subject with William Donovan and Allen Dulles in New York, and with Admiral Hillenkoetter in Washington.*** The

* See Volume I, pp. 100-105.

** See Chapter II, below.

*** In contrast to William Jackson's animosity toward Hillenkoetter, Smith's attitude toward him was sympathetic.^{39/}

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result of his discussion with Donovan was six written communications from the latter transmitting old-OSS documents, giving current advice on organization, and recommending former OSS personnel.40/ Smith accepted as much of Donovan's advice as he liked* and disregarded the rest.** He persuaded Allen Dulles to come to CIA for six weeks as a consultant.42/

On 21 September 1950, Donovan warned Smith not to "let them ruin CIA before you get there."43/ Smith was receiving the same advice covertly from Lyle T. Shannon, Hillenkoetter's Acting Executive, whom Smith had known at SHAEF.44/ Both men were apprehensive lest lame-duck Hillenkoetter sell out CIA in his current negotiations with Webb and Magruder over the "Webb Staff Study." Souers's instruction to Hillenkoetter to suspend action on that matter pending Smith's arrival was probably given at the request of Smith.***

* See Volume III, pp. 34-35.

** Lawrence Houston recalls that at this time Donovan and Smith were rather patronizing in their attitudes toward each other.41/

*** See Volume I, pp. 100-105. Actually, Hillenkoetter was adamant in his attitude toward Webb and Magruder.

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Smith suggested to Hillenkoetter that William Jackson be appointed immediately to the vacant office of Deputy Director, but Hillenkoetter refused to do that.^{45/} He could not forgive Jackson for his personal strictures in the "Dulles Report." He did consent to make Jackson a consultant to the DCI. In that capacity, Jackson occupied the Deputy Director's vacant office on 2 October 1950 and immediately began directing the preparation of papers for General Smith's consideration on his arrival, as though Hillenkoetter were not still DCI.*

On Saturday, 7 October, General Smith finally relieved Admiral Hillenkoetter as DCI. At the same time William Jackson took office as DDCI.

Before meeting formally with the IAC, General Smith saw the Secretaries of State and Defense and obtained their agreement to drop the subject of the "Webb Staff Study," on his assurance that NSC 50 was a sufficient directive for him. He met with the National Security Council on 12 October and told them that he would carry out NSC 50, with one exception:

* See p. 56, below.

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he would not carry out the merger of OSO and OPC* that NSC 50 had prescribed. The NSC approved this modification of its directive by the DCI.46/

There was no substantive discussion between the National Security Council and the new Director of Central Intelligence. The Council did not even inquire why Smith made an exception regarding the prescribed merger of OSO and OPC. As Forrestal had said in 1947, the National Security Council really had no time and attention to give to understanding the problems of CIA and to supervising its management.** What the NSC wanted was for somebody in whom it had confidence to take charge and run the show, without all this bickering and contention.47/ It was sure that it had the right man in Lieutenant General Walter Bedell Smith. Indeed it had.

* The CIA Offices of Special Operations and Policy Coordination.

** See Volume I, p. 80.

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II. Bedell Smith and the Intelligence Advisory Committee

General Smith ... stated that the Intelligence Advisory Committee must be geared for rapid cooperative work.

-- IAC Minutes
20 October 1950

A. The Strength of Smith's Position

The members of the Intelligence Advisory Committee knew in advance that in Bedell Smith they would face a more formidable Director of Central Intelligence than they had ever faced before. One may surmise that they approached the confrontation with no little apprehension.

Smith's personal rank as the senior lieutenant general of the Army was the least factor in that connection, though an appreciable one. Vandenberg had been a lieutenant general, and that had not deterred the IAB from opposing him. They had not been able to cope with him before the National Intelligence Authority, but they had sabotaged him in subtle ways with impunity.*

* One cannot know what would have happened if Vandenberg had had time to exercise the powers granted
(footnote continued on following page)

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Smith, however, was a far more formidable character than Vandenberg. He enjoyed immense personal prestige, as the organizer of victory in Europe, and as a man who had dealt with Stalin face-to-face. He could count on the personal esteem and strong support of the President, the Secretary of State, and the Secretary of Defense.* And he was well known to be a forceful and impatient man, one likely to react explosively if crossed.

B. Smith's Approach to the IAC

Bedell Smith's instinct was to take command. He understood that as DCI he was responsible not only for the administration of CIA but also for leadership of the entire intelligence community. He understood that personal responsibility implied commensurate authority. He knew that he could obtain from the President and the NSC, or from the

to him by the NIA in February 1947. (See Volume I, p. 74.) When Vandenberg then obtained authority to give direction to the departmental agencies, he already knew that he was leaving CIA.

* George Marshall replaced Louis Johnson as Secretary of Defense on 21 September 1950.

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Congress if need be, whatever authority he told them he required in order to accomplish his mission.

Thus Bedell Smith had the option of demanding the authority that Hoyt Vandenberg had obtained and of imposing his will on the IAC. Lawrence Houston had advised him that he would need to have and to exercise such authority.* Yet Bedell Smith, a naturally imperious man, deliberately decided not to exercise that option. It is unlikely that he knew much, if anything, of Vandenberg's experience. He knew intuitively that that was not the way to get the best results.

As Smith pondered the problem, he must have thought of SHAEF, of Eisenhower and Kenneth Strong, of their success in leading disparate and discordant elements to work effectively together in the common cause. He evidently came to a deliberate conclusion that he could obtain better results by adopting that approach to the IAC -- by exerting strong leadership in an atmosphere of mutual consideration and respect, of common effort and responsibility.

* See p. 18, above.

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C. The 10th of October

As it happened, General Smith's first meeting with the IAC was entirely unplanned, but it served to set the tone of the new regime.

After close of business on Tuesday, 10 October (Smith's second working day in office), Smith was informed that the President desired six estimates to take with him to his meeting with General MacArthur at Wake Island. The six subjects were: (1) the threat of full-scale Chinese Communist intervention in Korea, (2) the threat of direct Soviet intervention in Korea, (3) the threat of a Chinese Communist invasion of Formosa, (4) the threat of a Chinese Communist invasion of Indochina, (5) Communist capabilities and threat in the Philippines, and (6) general Soviet and Chinese Communist intentions and capabilities in the Far East. The President would be leaving for Wake Island within 20 hours.*

During the war scare of March 1948, a joint ad hoc committee had been set up to estimate, over

* President Truman never made any distinction between current and estimative intelligence. See Volume I, p. 60.

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the weekend, whether the USSR intended deliberately to initiate general war.48/ The Dulles Report had cited that improvisation as a model of how national intelligence estimates should be made.49/* Consulted by telephone at his home, Jackson recommended that the 1948 procedure be followed in this emergency. Smith himself telephoned each member of the IAC, summoning them to a meeting in his office at 7:00 P.M. At least one member of the IAC objected to being called away from his dinner table. Smith straightened him out in the language of a drill sergeant addressing a lackadaisical recruit.50/

There is no record of this meeting of the IAC in General Smith's office, because there was no secretary present, only Smith himself and five members of the IAC.** Smith explained the situation, and the IAC agreed to set up six joint ad hoc

* Actually, a worse model could not have been found. However, the point that the Dulles Report sought to make was that there should be departmental participation in the preparation of national intelligence estimates and shared responsibility for them.

** Representing State, Army, Navy, Air Force, and the Joint Staff.

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committees (one for each subject) to meet in the Pentagon and produce the desired estimates overnight. When one member objected that he could not possibly obtain the required clearances within his Department before 8:00 A.M., Smith declared that to be the objector's problem. Smith would expect to receive the required estimates at that hour.51/

The members of the IAC departed in haste to call up their men for this task. Smith then summoned to his office Dr. Ludwell Montague, Chief of the Global Survey Group in ORE, and sent him to the Pentagon to take charge of the joint committees already assembling there. CIA was otherwise unrepresented in this operation.*

* Jackson (who was not at the IAC meeting) must have suggested Montague for this role when consulted by telephone. Smith had known Montague in the JCS Secretariat in 1942, but could not have known that he was present in CIA. Jackson had discussed the ORE problem with Montague in 1948, and on 7 October 1950 had requested of him a plan for an Office of National Estimates which Montague had delivered earlier on the 10th.52/ Jackson later explained that Montague had been chosen for this task because Smith and Jackson had no confidence in ORE, but knew Montague to be experienced in joint intelligence estimating and sympathetic toward the idea of departmental participation in national intelligence estimates.53/

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Montague reported to Smith in the morning with six fully coordinated estimates in finished form. Meanwhile the President had called for a seventh estimate, on the likelihood of a deliberate Soviet decision to precipitate global war. Fortunately, that requirement could be met by quotation from an estimate that had been fully coordinated only a few days before. The IAC did not meet to ratify these estimates; the concurrences of its members were obtained through their senior representatives in the ad hoc working group. As General Vandenberg had remarked on a previous occasion, there was no time for "further formalities."**54/

These seven estimates were subsequently published under one cover as ORE 58-50 -- although ORE had nothing whatever to do with them except to reproduce them. They were joint estimates reflecting the conventional wisdom of the day, without any exercise of superior judgment. The conclusions were negative

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** See Volume I, pp. 59-60.

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in every case. The estimate of greatest historical interest held that, although the Chinese could intervene in Korea with massive ground forces, they would be unlikely to do so for fear of US retaliation against China.55/

ORE 58-50 provided an exciting opening for a new era in DCI-IAC relations. If some members of the IAC were sluggish in their initial response to the DCI's call, the obvious importance and urgency of the President's requirements produced urgent action thereafter, with no time for quibbling. And, if General Smith's demands upon them were peremptory, what he was demanding was their active participation in the preparation of a national intelligence estimate -- as distinguished from merely registering concurrence or dissent with regard to a CIA draft, as had hitherto been the practice.*

D. The 20th of October

General Smith's first formal meeting with the IAC was held on the 20th of October. His performance

* See Volume III, pp. 18-20.

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that afternoon was masterful.

The General opened the meeting by announcing that both the "Webb Staff Study" and CIA's counter-proposal for the revision of NSCID No. 1 had been dropped from further consideration.^{56/} To his audience that must have said that he would entertain no further scheming to make of the IAC a "board of directors" and that, reciprocally, he would subject them to no further lectures on the statutory authority of the DCI.

NSC 50 provided a sufficient directive for the present, the General continued. (NSC 50 declared that the IAC was soundly conceived as an advisory body and specifically rejected the idea of "collective responsibility," but held that the IAC should participate more actively in the coordination of intelligence activities and the discussion and approval of intelligence estimates, under the forthright initiative and leadership of the DCI.^{57/})

General Smith declared that he would promptly carry out NSC 50 (which prescribed the reorganization of ORE desired by members of the IAC), except as regards the merger of OSO-OPC (which was not of

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concern to them). The NSC had approved this exception. (It would have been noted that he could get the NSC to change its directives at his request, without the concurrence of the IAC.)

General Smith then declared that the IAC must be geared for "rapid cooperative work." All present would have been reminded of the 10th of October.

General Smith then read a six-paragraph memorandum on "The Responsibility of the Central Intelligence Agency for National Intelligence Estimates." This paper was said to have been dictated by William H. Jackson in August as background information for Walter Lippman.^{58/} Actually, it was a verbatim quotation from Chapter V of the Dulles Report, omitting some unnecessary paragraphs and sentences. But in reading Jackson's text Smith made one significant verbal amendment. Where Jackson had said that the ultimate approval of national intelligence estimates should rest on the "collective responsibility" of the IAC, Smith read "collective judgment."^{59/}

The background of that change is interesting. In September, Jackson had submitted his text to Lawrence Houston, the General Counsel, for comment,

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and Houston had strongly objected to the idea of "collective responsibility" as contrary to the National Security Act of 1947 and to NSC 50. In passing the paper to Smith, on 16 October, Jackson had covered it with a note warning Smith that the term "collective responsibility" should not be used.60/ Since Jackson offered no substitute, he evidently intended the paper for Smith's background information only and did not anticipate that Smith would read it in full to the IAC. Smith did not discuss the paper with Jackson. He decided on his own to read it with the change indicated, which was his own verbal choice.61/

The IAC readily agreed with Jackson's doctrine that, although the Act of 1947 apparently gave CIA the independent and exclusive right to produce national intelligence, as a practical matter such estimates could be produced only with the cooperation of the departmental intelligence agencies. Jackson went on to say that such estimates should be "compiled and assembled" centrally (which implied a merely editorial function) by an agency whose "objectivity and disinterestedness" were not open

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to question (which implied an exercise of judgment regarding the validity of departmental contributions). Even as Smith read it, however, final approval would rest on the "collective judgment" of the IAC. Smith added that future national intelligence estimates would be published under a cover showing plainly that they were the product of a "collective effort."62/

In this connection, Smith announced that he would establish as soon as possible an Office of National Estimates (ONE) concerned solely with the production of national intelligence estimates, and an Office of Research and Reports (ORR) to engage in such intelligence research as the IAC agreed could best be done centrally, specifically excluding the political intelligence research to which State had objected.63/*

There was further agreement upon a procedure for the production of national intelligence estimates. The IAC would consider and adopt an estimates program in order of priority and the terms of reference

* This reorganization of ORE had been proposed by the Dulles Report and enjoined by NSC 50.

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for particular estimates. Departmental contributions would be forwarded to ONE in accordance with an agreed schedule. On the basis of these contributions, ONE would produce a first draft and send it to the departmental agencies for review. After working-level discussion of this draft and the departmental comments on it, ONE would submit to the IAC a revised draft for final discussion, resolution of differences, and approval, subject to the notation of dissents on any substantial differences remaining unresolved at the IAC level.* The business of the next meeting would be the adoption of an estimates program and of terms of reference for an estimate on Indochina.64/

As the members of the IAC left this meeting, they must have been jubilant. Instead of being overwhelmed by the "Ogre of SHAEF," they had been taken into partnership! In the circumstances, there would be no point whatever in a contentious attempt to define more precisely the relative authority of the

* This is, of course, the procedure still in effect 20 years later, except that the IAC soon ceased to consider terms of reference on which agreement had been reached at the ONE level.

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DCI and the IAC. In their enthusiasm, the members of the IAC may not have noticed that General Smith had done almost all of the talking.

E. "Rapid Cooperative Work"

The IAC met again on 26 October and adopted a program of eleven estimates in the following order of priority: the Philippines, Indochina, Soviet Capabilities and Intentions, Germany, Chinese Communist Capabilities and Intentions, Yugoslavia, Iran, Greece, Turkey, India, and Austria. This list reflected general apprehension lest the Russians and the Chinese take advantage of the US involvement in Korea to commit local armed aggression elsewhere around their periphery. There was particular concern regarding Berlin.^{65/}

General Smith announced that Dr. Montague would be in charge of the production of these estimates pending the establishment of an Office of National Estimates.* The General wanted them to be produced

* ONE was formally established on 13 November 1950, but Montague remained in charge of the production of national estimates through the IAC meeting held on 21 November.

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as rapidly as possible. The military members of the IAC doubted that their respective staffs could act on more than three or four estimates simultaneously. State (Armstrong) and CIA (Montague) thought that they could maintain a faster pace than that. Smith declared that Montague would set the pace. If the military could not keep up, that would be just too bad; Montague would proceed without them. The military members of the IAC would at least get a voice in the matter when it came before the IAC.66/

Thus instructed, Montague submitted six coordinated estimates to the IAC during the next four weeks. Three of them (the Philippines, Soviet Capabilities and Intentions, Yugoslavia)* were from the program. Three others were crash estimates related to the Chinese Communist intervention in Korea.** In addition, Montague turned over to the Board of National Estimates four draft estimates ready for interdepartmental coordination. Two of them

* NIE-1, NIE-3, and NIE-7.

** NIE-2, NIE-2/1, and NIE-2/2.

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(Indochina, Germany)* were from the initial program. Two others had been undertaken by the IAC in response to urgent requests. They were "Future Military Capabilities of the Western European Countries in the Light of Present NATO Programs" and "Importance of Iranian and Middle East Oil to Western Europe."**67/

This remarkable achievement was possible only because General Smith had transformed the relationship between CIA and the departmental intelligence agencies. Gone was the departmental indifference, not to say hostility, that had hindered ORE's production and coordination of estimates. The IAC members had evidently instructed their subordinates to do their utmost to meet Montague's requirements. No one wanted General Smith to hear that he or his agency was hindering the production of estimates. Beyond that, however, there was also a new and positive sense of comradely collaboration in a common effort.68/

* NIE-4 and NIE-5.

** NIE-13 and NIE-14.

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It may be said that the Chinese Communists helped too, by creating a real sense of national emergency like that which had prevailed in the days following Pearl Harbor.

F. The 11th of November

During this period, General Smith concluded every meeting of the IAC with a speech in praise of its members for the remarkably fine collaborative effort that was being made in the production of national intelligence estimates. At the close of the meeting held on Saturday, 11 November, he laid it on thicker than ever. It was wrong, he said, to call the Intelligence Advisory Committee merely advisory.* Together they were really the United States Joint Intelligence Board!69/

Montague heard these words with dismay. It appeared that General Smith was abdicating the statutory responsibilities (and authority) of the DCI and accepting the doctrine of a "collective

* Stress upon that word had been Hillenkoetter's defense against the "board of directors" concept.

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responsibility" vested in the IAC, with all of the attendant evils of a joint intelligence system.

A member of the IAC, Brigadier General Vernon E. Megee, USMC, Deputy Director for Intelligence, The Joint Staff, understood it that way also. General Megee had come late to the meeting, explaining genially that he had been celebrating the anniversary of the Marine Corps. That fact was evident. It had contributed to the congeniality of the occasion. Now General Megee was moved to interrupt the DCI by exclaiming, "Yes, we are the Board of Directors!"

An awful silence ensued. Everyone present, including Megee, knew that Megee had said a bad word. Everyone held his breath, waiting for the explosion. But when General Smith resumed speaking, it was in a quiet and somber tone, in marked contrast to his previous ebullience. He was speaking of the lonely personal responsibilities of the DCI, responsibilities that he could not share with his colleagues in the IAC, no matter how kindly they might wish to share that burden with him.70/

General Smith never had to make that speech but once. He was understood.

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It is significant that General Smith recognized instantly the connotations of the expression "board of directors" -- and that, despite all his persiflage about a collective effort and achievement (which confused a good many people in CIA), he understood clearly his unique personal responsibility as Director of Central Intelligence. The members of the IAC understood that too (though General Megee was slow to catch on). They were glad enough to collaborate with him in partnership on his generous terms. Nothing was ever heard again of the "board of directors" concept.

G. Over the Longer Term

General Smith continued to meet regularly with the IAC and to talk up the cooperative participation of the departmental intelligence chiefs in the coordination of intelligence activities and in national intelligence estimates. At the same time he sought to avoid conflict with them by bringing nothing seriously controversial before the IAC. For example, in April 1951 he inquired of his staff why an NSCID

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on Economic Intelligence was being prepared.* The terms of a legalistic formulation on the subject might provoke controversy in the IAC. He preferred to achieve a mutually accepted working relationship with the departmental agencies through the gradual accretion of practice and precedent, without writing a formal directive.⁷¹/ Actually, substantial agreement with the IAC agencies had already been achieved. It was duly recorded in NSCID No. 15, 13 June 1951.**

Smith's attitude is further illustrated by his response to a complaint that the conclusions of national intelligence estimates were rather commonplace. He accepted that criticism, observing that the estimates were being watered down in order to obtain agreement and avoid dissenting footnotes. Personally, he said, he would be willing to publish an estimate to which every member of the IAC dissented, and some day it might be necessary to do that in order

* The purpose was to register NSC approval of the functions of the newly created Office of Research and Reports, as a "service of common concern." That was required by literal application of the terms of the National Security Act of 1947, Section 102 (d) (4).

** See Volume III, pp. 93-94.

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to present a good estimate, but to do so now would set back the development of CIA for several years.^{72/} In other words, Smith recognized his unique personal responsibility for the substance of national intelligence estimates and was prepared to assert his prerogative in that respect if the occasion were of sufficient importance to require it, but he would not sacrifice his good relations with the IAC in order to assert his personal view with regard to an inconsequential difference.

Inevitably, a time did come when General Smith was hindered and frustrated by his inability to obtain agreement in the IAC. He was then heard to remark, "I don't see how Hillenkoetter ever accomplished as much as he did."^{73/} But these difficulties were primarily with the Joint Chiefs of Staff, and only secondarily with the Service members of the IAC.^{74/} Moreover, such obstruction as Smith encountered in the IAC never involved such a challenge to his authority as Hillenkoetter had faced. In these cases of disagreement, the IAC members were operating within the system that Smith himself had established between 10 October and 11 November 1950, a system based on

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mutual respect and consideration such as had never existed before.

In September 1951, Smith received a demonstration that the members of the IAC thoroughly appreciated his policy of collaboration with them in that spirit.

A fourth report to the NSC was then required, on progress in the implementation of NSC 68, which called for an intensification of intelligence activities to meet the growing Soviet threat to US security.* The previous report in this series had contained a reference to substantial progress in interdepartmental cooperation and coordination through the active participation of the IAC.75/ It had been prepared by Dr. Montague, as the Intelligence member of an NSC drafting committee, and had been cleared directly with the IAC. The September 1951 draft was prepared by James Reber, Assistant Director, Intelligence Coordination, in coordination with the IAC representatives with whom he normally dealt regarding the

* The general subject of NSC 68 and its implementation is discussed in Volume IV, Chapter I.

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coordination of intelligence activities. Unlike their colleagues who had participated in the preparation of national intelligence estimates, these men had no appreciation of the new spirit that Smith had created in the IAC. They were still imbued with the previously existing attitude of suspicion and antagonism toward CIA, and they were particularly incensed by the current difficulties in coordination mentioned above. From their point of view, Smith was contumaciously frustrating in the IAC the sacred will of the Joint Chiefs of Staff. When the September 1951 draft came before the IAC, it bore a notation that the representatives of the Service intelligence agencies recommended the deletion of the paragraph in praise of the IAC as an effective instrument for coordination.76/

When the IAC met to consider this draft, on 10 September 1951, General Smith coldly observed that this disagreement indicated a feeling at the working level that the IAC was not as effective as hitherto he had supposed it to be. That being the case, he would ask the NSC to appoint an impartial board (like the Dulles Survey Group) to investigate the matter and propose a remedy. In response to this

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threat,* the Service members of the IAC fell over one another in their haste to repudiate their representatives as parochial fellows ignorant of the IAC and its good works. They declared that General Smith's "reactivation" of the IAC had been an outstanding development that had made possible great forward strides in intelligence coordination. Inwardly, Smith must have been highly amused by this scene, but he kept a stern countenance and seemed only reluctantly dissuaded from demanding a thorough investigation of the IAC.77/

Thus the IAC, which had bullied and badgered Admiral Hillenkoetter, found itself supplicating the gracious favor of his successor!

Initially, Smith's primary problem had been how to obtain the cooperation of the members of the IAC, but during his tenure as DCI the IAC became progressively less important to him. He was spending more and more of his time and attention at a higher level,

* By this time it could be anticipated that any such board would recommend less consideration for the departmental intelligence agencies, rather than more.

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with the President, the Secretaries of State, Defense, and the three Services, and their principal deputies and assistants. He was in high favor in all these quarters, and had trouble only with the Joint Chiefs of Staff. The members of the IAC were far down on his totem pole.

Nevertheless, good relations with the heads of the departmental intelligence agencies are a matter of considerable importance to a Director of Central Intelligence. General Smith bequeathed to his successors a DCI-IAC relationship that gave real meaning to the idea of an Intelligence Community.*

* This term first appeared, as "the Federal intelligence community," in IAC-D-29/8, 9 April 1952, para. 1.

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III. Command and Control of the Central Intelligence Agency

The Director said that he wished to have it clearly understood what he meant by staff work. He stated that he considered the Assistant Directors to be his staff and used the analogy of a Special Staff in any large military headquarters He stated that his staff headed by Mr. Kirkpatrick could be compared to the Secretary of the General Staff in a military headquarters.

-- SC-M-4
8 January 1951

A. Previous Practices

Naturally, each of General Smith's predecessors as DCI brought his own personal style to the exercise of command and control over the CIG/CIA. Although the Dulles Report complained of military predominance in the administration of CIA, it was the former Chief of Staff at SHAEF who first organized the top management of CIA by analogy to a major military headquarters.

NIA Directive No. 2 had authorized Admiral Souers to select one Assistant Director from each of the four personnel contingents contributed to the Central Intelligence Group by State, Army, Navy, and the Army Air Forces, and to make one of them his Deputy.78/

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Each of them was expected to represent the interest of his Department in the Group, but it was also understood that each should serve primarily as a lieutenant of the DCI. In that role each was expected to advocate the interest of the CIG before the member of the IAB who had seconded him.

Admiral Souers regarded his three Assistant Directors as indeed Assistant DCI's. He and his Deputy consulted them frequently, as a council, on the problems of the CIG as a whole. Only secondarily were they also the chiefs of the three component units of Souers's simple organizational structure.*

With the advent of General Vandenberg as DCI, these consultations ceased. If Vandenberg had a privy council, it was the cabal of colonels that he brought

* Souers's Deputy was Colonel Kingman Douglass, seconded by the Army Air Forces as a civilian. The three Assistant Directors were Captain William Goggins, Navy, in charge of the Central Planning Staff; Colonel Ludwell Montague, seconded by State as a civilian, in charge of the Central Reports Staff; and Colonel Louis Fortier, Army, in charge of "Central Intelligence Services," then an empty box on the organization chart. None of these four survived the advent of Colonel Edwin Wright as General Vandenberg's *éminence grise*. Only Montague remained with the Group.

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with him from G-2.* Later he depended entirely on his Deputy, Colonel Edwin Wright, in matters of internal organization and administration, and on Donald Edgar, the Chief of his Interdepartmental Coordinating and Planning Staff (ICAPS), with regard to external — relations.** Within CIG, Vandenberg was not particularly secretive about his purposes and plans, but, jealously insulated by Wright, he simply had no system for consulting, or even informing, his Assistant Directors. For example, one of them learned only by accident that it had already been decided to alter radically the functions of his Office and to increase its recruiting goal from 60 to 2,000!79/

This situation obtained even when all that there was of CIG was housed in a few rooms in the older part of the building now known as New State. It was not improved when the working components of CIG were located in the former OSS complex at 2430 E Street, while

* The most notable of them were Colonel Edwin Wright, who became DDCI, and Colonel Donald Galloway, who became ADSO.

** Vandenberg (Wright) dissolved Souers's Central Planning Staff and then created a replica of it as ICAPS. Edgar was seconded from State, but became a strong advocate of the prerogative of the DCI.

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(the CIG headquarters was in the North Interior Building a half-mile away.

Admiral Hillenkoetter inherited General Vandenberg's physical and procedural isolation from his Assistant Directors. Even when Hillenkoetter moved — into the Administration Building at 2430 E Street, he still remained effectively isolated from them by his headquarters staff. Personally, Vandenberg and Hillenkoetter were both approachable men. Their isolation resulted from the procedural patterns established by Wright and Edgar* and from their own lack of interest in maintaining direct contact with their operating units. CIA became a sort of Holy Roman Empire in which the feudal barons pursued their respective interests subject to no effective direction and control by the titular emperor.**80/

* Edgar was succeeded by Prescott Childs, from State, in 1947. Wright remained DDCI until 1949, when he departed and his office was left vacant.

** It may be noted that the Assistant Director, Reports and Estimates, exercised no more control over the components of ORE than did the DCI over CIA as a whole.

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So commanding a character as Bedell Smith could not be expected to tolerate such a lack of system and order. One of his first concerns on taking office was to establish his effective command and control over all components of the Central Intelligence Agency. In doing that, he naturally thought and acted in terms of his military experience.

B. Control of the Office of Policy Coordination

General Smith's first move, on assuming command of CIA, was to establish his control over the Office of Policy Coordination (OPC). That office had been created in 1948 to conduct covert "activities" other than the clandestine collection of intelligence, which was the function of the Office of Special Operations (OSO).^{*} Although nominally a component of CIA, OPC was effectively under the direction of the Departments of State and Defense, rather than that of the Director of Central Intelligence.

* The warrant for assigning the OPC function to CIA was in the National Security Act of 1947, Section 102 (d) (5): "to perform such other functions and duties related to intelligence affecting the national security" as the NSC might direct (emphasis supplied).

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The idea of such an Office had originated with a State Department proposal [REDACTED] to establish within that Department a "Director of Special Studies" to coordinate plans for covert operations to be carried out by various agencies.* That proposal moved Allen Dulles** to advise the NSC that State's scheme would not work. The proposed Director must not only coordinate plans but direct and control the operations envisaged, in close conjunction with clandestine intelligence operations. Indeed, the two sorts of secret operations should have one director, as had been the case in OSS, and as the British had now decided to do.***81/

Hillenkoetter then proposed the creation of an Office of Special Services (OSS) within CIA and of an Operations Advisory Board analogous to the IAC to

* In this phase, the idea was limited to covert political, or psychological, operations.

** As Chairman of the NSC Survey Group.

*** At this time (May 1948) Dulles begged the question whether the combined secret service should be in CIA or in an independent agency directly responsible to the NSC. The Dulles Report (January 1949) recommended that OPC and OSO be combined in one "Operations Division" within CIA.

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provide authoritative policy guidance to the DCI.^{82/}
The NSC finally decided (NSC 10/2) to locate the office in CIA under a less revealing name* and subject to less formal policy guidance by the Departments of State and Defense. However, in a meeting held in the office of the Executive Secretary, NSC, on 6 August 1948, George Kennan, representing the Department of State, laid down the law that "political warfare" was essentially an instrument of foreign policy, and that OPC, located in CIA for expedient reasons, must be regarded as a direct instrumentality of State, not subject to the DCI's interference. The Executive Secretary, Sidney Souers, seconded Kennan, saying that the intention of the NSC was that State should control OPC's operations in time of peace, and that Defense should do so in time of war. Hillenkoetter acquiesced, so long as State accepted political responsibility, as Kennan did.^{83/} Thus Hillenkoetter surrendered operational control of OPC to State -- and to Defense with regard to covert operations in

* Initially, Office of Special Projects (OSP), soon changed to Office of Policy Coordination (OPC).

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time of war and to preparations therefor. Hillenkoetter retained administrative control of OPC, a subordination that proved very irksome to the ADPC, but there is no indication that he ever used this power to impose his views on OPC, other than with regard to administrative accountability.*

State, with the concurrence of Defense, had chosen Frank Wisner to be Assistant Director, Policy Coordination. He was a native of Laurel, Mississippi (1909) and a graduate of the University of Virginia (1931) and its Law School (1934). He had been a partner in Carter, Ledyard & Milburn (as had William H. Jackson). During the war he had served as a Naval officer in ONI (1941-43) and OSS (1943-46)**; his OSS service was in North Africa, the Middle East, Rumania, France, and Germany. After that, he was deputy to the Assistant Secretary of State for Occupied Areas,

* Lyle T. Shannon, Hillenkoetter's Deputy Executive, and Lawrence Houston, his General Counsel, did use this leverage, with some success, in a constant effort to exert some CIA control over OPC's operations.^{84/}

** When OSS was dissolved on 1 October 1945, its clandestine services continued to operate as the Strategic Services Unit (SSU) of the War Department.

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1946-48. He had been ADPC for two years when General Smith relieved Admiral Hillenkoetter.

Even before General Smith took office, his Deputy-designate, William H. Jackson, summoned Frank Wisner (his former law partner) and Lawrence Houston, the CIA General Counsel, and directed them to prepare a revision of NSC 10/2 that would clarify and confirm the DCI's authority over covert operations.* Despite the "understanding" established in 1948, Wisner was willing to accept the authority of Bedell Smith. On 5 October, he and Houston submitted to Jackson their proposals regarding the amendment of NSC 10/2.85/

When Bedell Smith saw this paper, he cast it aside. He already had the requisite authority, he said. There was no need to amend NSC 10/2.86/** Wisner demurred, saying that he was hindered by the ambiguities of 10/2 and embarrassed by the "understanding" of 1948. Smith told him to forget it.

* See p. 21, above.

** Smith was always opposed to writing a formal directive if he could establish his point in practice, lest the formulation of the directive provoke controversy. See pp. 41-42, above.

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That "understanding" had been reached in circumstances that no longer pertained; it was no longer of any validity.87/ Smith desired to continue to receive advice and policy guidance through the existing arrangements, but it must be understood that this advice was given to CIA, not to OPC as a separate entity, without any implication that State, Defense, or the JCS had any authority to give direction to OPC.88/

It was left to Wisner to explain Smith's position to the representatives of State, Defense, and the JCS from whom he regularly received policy guidance.* He did so on 12 October. Smith's interpretation of NSC 10/2 and his repudiation of the "understanding" of 1948 were well received by those representatives, who gave their personal agreement and undertook to inform their principals.89/

The differences between the circumstances of 1948 and those of 1950, to which General Smith referred, were three: (1) Kennan, who was determined to control

* They were Robert Joyce (State), General John Magruder (OSD), and Admiral Leslie Stevens (JCS), called collectively the NSC 10/2 Committee, or the Senior Consultants.

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covert political warfare, and Hillenkoetter, who was deemed inadequate for that role, were both gone; (2) Smith had reached his own understanding with the Secretaries of State and Defense; (3) all concerned were happy to accept General Smith's forthright assumption of command of covert action operations.*

C. The Office of the Director

Having established his control over OPC, Smith turned his attention to the more effective organization of his own office as an instrument of command and control. The key to that was the selection of an officer who would serve the Director and Deputy Director as Smith himself had served General Marshall when he was Secretary of the War Department General Staff. That officer was given the title of Executive Assistant in order to distinguish him from the several personal assistants in the Office of the Director.**

* Smith soon became embroiled with the JCS over the control of covert operations in time of war. Then Smith himself desired to amend NSC 10/2 in order to resolve that issue. See Chapter III, below.

** They were Lieutenant Colonel Henry Mueller, the General's personal military aide; John Earman, held over from the Hillenkoetter regime; and Joseph Larocque, Jackson's man. Larocque had been Jackson's classmate at St. Mark's and a staff assistant to the NSC Survey Group.

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Admiral Hillenkoetter's office had consisted only of himself and his Deputy, Brigadier General Edwin Wright. Immediately below them in the chain of command was the Executive, an office created by Wright in 1946. It was the focal point in CIA. The Executive was directly supported by four staff units: Budget, Management, Personnel, and Procurement. Beneath him, but less immediately under his personal direction, were seven other staff units and the six line offices of CIA.* In principle, and normally in practice, no Assistant Director could reach the DCI except through the Executive.

Wright had established this pattern in July 1946 for the purpose of preventing access to Vandenberg except through him. Even after he was named Deputy Director, Wright continued to function as the Executive until May 1947, when Hillenkoetter appointed a Navy Captain to the vacant office. That too made no difference. Wright continued to function as, in effect, the director of CIA, while Hillenkoetter took care of

* See Organization Chart, 1 October 1950, Volume III, p. 3.

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external representation and the Executive attended to internal administration as directed.

The NSC Survey Group criticized this set-up on the ground that it permitted administrative officials to exercise policy control over the line offices of CIA, with the result that CIA policy was determined by administrative rather than intelligence considerations. The Dulles Report urged that the DCI should regain direct contact with his Assistant Directors and consult them as staff advisors in the determination of CIA policy.^{90/}

This advice was disregarded, since the persons criticized were in actual control of CIA. When Wright departed in March 1949, Hillenkoetter allowed the administration of CIA to devolve to his own man, Captain Walter Ford, USN, the Executive.* When Ford's successor, Captain Clarence Winecoff, USN, also departed, in April 1950, Hillenkoetter already knew that his own days as DCI were numbered. The management of

* Hillenkoetter offered the Deputy Directorship to George Carey, who declined it (see Volume III, p. 176). Thereafter he made no effort to fill the vacancy.

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CIA then devolved to Lyle T. ("Ted") Shannon, as Acting Executive.*

Shannon conceived his task to be to preserve the status quo pending the arrival of a new DCI. He feared that Hillenkoetter would sell CIA down the river in his current negotiations with State and Defense regarding the "Webb Staff Study."** When General Smith's appointment was announced, in August, Shannon entered into out-of-channels communication with him.92/***

Of course General Smith had no idea of leaving the management of CIA to his Deputy, much less to a subordinate administrative officer. He conceived Jackson's function as Deputy to be analogous to that

* Shannon was born at Farmer City, Illinois, in 1909, enlisted as a private soldier in 1924, and rose from the ranks to the status of a colonel, GSC, at SHAEF in 1944. He came to CIG as an administrative officer in August 1946, and retired from the Army in 1947.91/

** Actually, Hillenkoetter, coached by Houston, stood firm for the authority of the DCI during these negotiations. See Volume I, pp. 100-105.

*** Smith had known Shannon at SHAEF. He had personal reason to appreciate the ability indicated by Shannon's rise from private to colonel.

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of a Chief of Staff; Jackson functioned in that way. At the same time, Smith realized that he could not deal directly with the chiefs of eleven staff units and six line offices. That would be too broad a span of control. Smith established a weekly Staff Conference with his Assistant Directors and a very few staff officers, as a means of dealing with problems of internal coordination and of laying down a general policy line.* From the beginning, however, he intended to reduce that span of control by appointing three specialized Deputies, in addition to the DDCI.** Meanwhile, he needed a "secretary of the general staff," an executive assistant.

Jackson found the man for the job.93/ He was Lyman Kirkpatrick, then Deputy Assistant Director, Operations.

Kirkpatrick, 35 in 1951, was a native of Rochester, N.Y., and a graduate of Princeton University, 1938. After four years as a journalist in Washington, he was recruited by OSS. He became a major commanding the

* See pp. 68-71, below.

** See pp. 71-96, below.

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OSS intelligence unit at Headquarters, 12th Army Group, where he became well and favorably known to Brigadier General Edwin Sibert, the G-2, and Colonel William Jackson, the Deputy G-2. Eventually he became General Bradley's briefing officer. He returned to Washington in 1945 to be an editor of *World Report*, but in January 1947 General Sibert recruited him to be a member of his staff as ADO.* Kirkpatrick was in charge of [REDACTED] from February 1948 until October 1950, when he was made DADO.⁹⁴/

Kirkpatrick was made Executive Assistant on 13 December 1950. His position differed from that of Hillenkoetter's Executive in that he was a staff officer, not in the chain of command. He was, however, the nexus between the Director and Deputy Director on the one hand and the specialized Deputies and Assistant Directors on the other. It was his function to see to it that every matter deserving the Director's attention was brought to his attention, and in proper form, thoroughly staffed out and

* See Volume III, p. 171.

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coordinated. It was also his function to convey the Director's inquiries and decisions to the officers responsible to act on them, and to see to it that appropriate action was in fact taken.

When General Smith had explained these duties to Kirkpatrick, he remarked, "That year I spent working as secretary of the general staff for General Marshall was one of the most rewarding of my entire career and the unhappiest year of my life."95/

In order to keep himself informed of the proceedings of CIA, General Smith required Kirkpatrick to prepare a Daily Log listing all important incoming and outgoing communications, meetings, and conversations. The Assistant and Deputy Directors were required to propose to Kirkpatrick items for inclusion in this Log. Smith reviewed it first thing in the morning, together with the *Daily Intelligence Summary*. Then Jackson and Kirkpatrick came in, explained to him more fully the items that interested him, and briefed him on matters requiring his personal attention.96/ Reference to items in the Log often served as the basis for discussion at the Director's morning

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meetings with his Deputies.* Kirkpatrick kept the minutes of these meetings.

For his own convenience in keeping track of the flow of paper, Kirkpatrick established the Executive Registry.^{97/}

Kirkpatrick was Executive Assistant for six months and was then assigned to be Deputy Assistant Director, Special Operations. He was succeeded by Joseph Larocque, who held the office for five months and was then assigned to be Deputy Assistant Director, Operations. Larocque was succeeded by Loftus Becker,** who held the office for one month and then was made Deputy Director, Intelligence.*** Becker was succeeded

* See p. 94, below.

** Becker, 40 in 1951, was a native of Buffalo, N.Y., and a graduate of Harvard, 1932, and Harvard Law School, 1936. He practiced law in Honolulu, 1936-38, and New York, 1938-42, and then served in the Army, 1942-45, rising in rank from private to major. In particular, he was an intelligence officer with the Ninth Army and later attended the Nuremberg Trials as an expert on German military organizations. He returned to his law firm in New York, 1946-51, but in April 1951 was brought into the Director's Office by Jackson as an "intermittent" consultant. In fact he served full-time, but without a long-term commitment.

*** See p. 87, below.

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by John Earman, who held the office for ten years, five months (until May 1962). The office was then superseded by the appointment of an Executive Director (Lyman Kirkpatrick) and Earman was made Inspector General.

D. The Daily Staff Meeting

During his first two months in office, General Smith had all the officers in immediate attendance on him come into his office at nine in the morning, when he reviewed with them the problems of the day and gave them their instructions.^{98/} However, by the time that Kirkpatrick began to record minutes of these morning meetings, they were being held elsewhere, Smith was not present, Jackson was in the chair, and they were called the "Deputy Director's Staff Meeting."^{99/} At the conclusion of this daily staff meeting, Jackson and Kirkpatrick went in to brief the Director.

This procedure was similar to the former practice at SHAEF. There Bedell Smith, as Chief of Staff, had conducted an eight o'clock staff meeting to

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review the situation, after which he and a very few others went in to brief Eisenhower.100/

The minutes of these meetings do not list the persons present; the attendance can only be inferred from indirect quotations in the text.* Jackson

normally presided, and Kirkpatrick normally kept

the minutes. The other regular attenders were Murray McConnel, Lyle Shannon, James Reber, Joseph Larocque, and John Earman. Allen Dulles and John O'Gara joined the group in January 1951.**

In mid-March 1951 the three Deputy Directors, Jackson, McConnel, and Dulles, ceased to attend this daily staff meeting. (They were attending another daily meeting with the Director.***) Nevertheless,

* The one indirect quotation of Smith (22 December 1950) was probably a report on what he had said elsewhere, rather than evidence of his presence in that meeting.

** McConnel was the Executive from 16 October until 1 December 1950, when he became Deputy Director, Administration. Shannon was Deputy Executive, then Assistant DDA. Reber bore the title of Assistant Director, Intelligence Coordination, but was actually the chief of a small staff section at Headquarters. Dulles was Deputy Director, Plans. O'Gara was Assistant DDA for Administration (Special).

*** See p. 94, below.

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the daily staff meeting continued to be held by the Executive Assistant. It was evidently Kirkpatrick's device for preparing himself to meet with the Director and his Deputies. Larocque and Becker continued the practice.101/

The "daily" staff meeting was held very irregularly during January and February 1952. On 25 February, Earman announced that it would be held only weekly thereafter. Actually, only one more meeting was held, on 19 March.102/ The reason was that the Director's Office was by then functioning so efficiently that it was no longer necessary to hold a staff meeting in order to find out what was going on.

E. The Weekly Staff Conference

The weekly Staff Conference with the Assistant Directors was a more formal occasion than the daily staff meeting. The Director himself normally presided, and Kirkpatrick kept formal, numbered Minutes -- e.g., SC-M-1, 18 December 1950.

At the first meeting, General Smith explained that the functions of the Staff Conference were to

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consider the internal policy of the Agency* and to eliminate the present lack of cross-coordination within the Agency.^{103/} At the fourth meeting he assured the Assistant Directors that he would be directly accessible to them at any time, although it would be more difficult to reach him on Thursdays and Fridays.** He likened the Assistant Directors to the Special Staff at a military headquarters.*** He took that occasion to lecture on the doctrine of "completed staff work."****^{104/} Later he decreed

* Cf. the recommendation of the Dulles Report to this effect, mentioned above, p. 60.

** He met with the NSC and the IAC on Thursdays, and briefed the President on Fridays.

*** As distinguished from the members of the General Staff, who advise the commander and supervise (in his name) the execution of his orders, but themselves have no command authority, the members of the Special Staff are the commanders of subordinate service units (Quartermaster, Engineer, Ordnance, etc.) who also serve as advisers to the commander with regard to their technical specialties.

**** A paper presenting a problem and recommending that something be done about it is of no use to a commander. He requires a paper recommending a specific action, with that recommendation supported by reasoning and coordinated with all concerned, and with the action paper drawn up in such a way that he can sign it (if he approves), or reject it, or remand it for revision in accordance with his specific instructions.

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that papers presented for his consideration must be in the established general staff format: statement of the problem, facts bearing on the problem, discussion, conclusions, recommendations.105/

The weekly Staff Conference was useful to Smith as a means of establishing contact with his Assistant Directors, making himself known to them and taking their measure, and laying down his general policy line. When he had accomplished those purposes, he began to urge them to settle their inter-office problems directly among themselves, instead of bringing them to the Staff Conference. He urged them to accomplish that by direct personal contact or by telephone, saying that written memoranda should be used only as a last resort.106/ When meetings of the weekly Conference were cancelled because no one had anything to propose for the agenda, he expressed his satisfaction, saying that it showed that direct lateral coordination was working.107/

The last meeting of the Staff Conference was held on 17 December 1951. Thereafter the supervision of inter-office coordination was left to the three

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specialized Deputies, each in his own area,* and inter-area coordination was accomplished at the Director's daily meeting with them. Like the daily staff meeting, the weekly Staff Conference had accomplished its purpose and was no longer required.

F. The Deputy Director for Administration (DDA)

Bedell Smith appreciated the ability of "Ted" Shannon, the Acting Executive, but Shannon was a controversial figure, implicated in the NSC Survey Group's indictment of the administration of CIA** and embroiled in a continuing conflict with OPC and OSO over the control of administrative support for the clandestine services.*** William Jackson, who had been a member of the Survey Group and was now Smith's Deputy, urged that Shannon be summarily fired.108/ Smith refused to do that, but he perceived that he had better bring in an outsider, a man not involved

* As DDI, Becker held biweekly meetings of the "IAD's" (Intelligence Assistant Directors).

** See p. 61, above.

*** See pp. 76-78, below.

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in these ancient quarrels, to head up his administrative organization.

Moreover, Smith himself considered that traditional military administrative methods were old fashioned and inefficient. His thought was that a successful businessman could teach modern business techniques to his predominantly military (or ex-military) administrative personnel. The man he chose for that task was Murray McConnell, 55, President of the Manufacturers Capital Corporation of New York City.*

McConnell entered on duty as the CIA Executive on 16 October 1950, only nine days after Smith himself took office. Shannon then reverted to his normal position as Deputy Executive. On 1 December McConnell was redesignated Deputy Director for Administration (DDA) and Shannon became the Assistant DDA for Administration.** On 4 January 1951 John O'Gara was made

* There was a warm personal relationship between Smith and McConnell, but the basis for it is not apparent on the record. McConnell had pursued a long career in investment banking. Smith had become acquainted with him while at Governor's Island, 1949-50. 109/

** There were two other Assistants to the DDA, for Inspection and Security and for Communications.

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Assistant DDA for Administration (Special), in charge of administrative support for the clandestine services.* Shannon then became Assistant DDA for Administration (General).

These changes in the organizational structure were accompanied by heavy emphasis on the theme that the function of Administration was to serve, not to control. Jackson said later (13 June 1951) that he and Smith had found Administration (read Shannon) "running the show," that the purpose of the reorganization had been to "subordinate" Administration. McConnell himself emphasized that the DDA had a service function, not a command position.110/

McConnell handled the myriad administrative consequences of Smith's radical reorganization of

* O'Gara, 55, was probably the nominee of Allen Dulles. After an administrative career in R. H. Macy & Co., New York, 1922-43, he served as a colonel in the Army Service Forces, 1943-44, and as Deputy Director, Personnel, OSS, 1944-45. He returned to Macy's, 1945-49, but was in the State Department from October 1949 until called to CIA. He remained Assistant DDA (Special) until that office was abolished, 28 July 1952, and continued to serve as a CIA administrative officer until his retirement in 1961.

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CIA* with efficiency and dispatch -- though it remains a question how much that was his doing, how much Shannon's. In any case, it appears that McConnell had committed himself to come to CIA for only six months. His successor, Walter Reid Wolf, entered the DCI's office as a special consultant in February 1951 and was soon made Deputy Director for Administration effective 1 April.**

Wolf, 57, was the senior vice president of the City Bank Farmers Trust Company and a vice president of the National City Bank of New York, on indefinite leave of absence from both institutions. An investment banker, as was McConnell, he had had no experience in the management of an operating enterprise.*** He had few, if any, ideas of his own to contribute to the better administration of CIA. Indeed, he was overwhelmed by the responsibilities of his position

* See Volume III.

** McConnell then took Wolf's place as special consultant, a position that he held until 30 June 1953.

*** McConnell was also President of the Cuno Engineering Corporation of Meriden, Connecticut.

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and incapable of positive action, except insofar as he was instructed by Smith himself -- or by Shannon.111/

General Smith was not known for his tolerance of incompetence or passivity. It is, then, pertinent to ask why he kept Wolf as DDA for the remainder of his tenure as DCI. There was a well concealed streak of kindness in General Smith's character; he did harbor in CIA some few men, distinguished in their time, whose better days were behind them.* A reason for keeping Walter Wolf was a sense of personal obligation to him. Wolf had handled Smith's personal investments with great success indeed.112/

When Smith did keep in a position of responsibility an officer who was not functioning effectively, he simply short-circuited that officer by appointing a deputy on whom he could depend.113/ Thus Smith depended on Shannon to carry on as his working deputy for administration, with Wolf as a front. But there was one problem that Shannon could not resolve, partly because of the bitter enmity of the clandestine services

* Two examples are Brigadier General Trubee Davison and Lieutenant General H. H. Morris as successive Assistant Directors, Personnel.

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toward him personally. That was the issue over the control of administrative support for the clandestine services. Shannon had been working on that for five years, on behalf of two successive DCI's, without being able to get the clandestine services to accept the DCI's position on the subject.

The clandestine services had always had a separate administrative apparatus of their own. When OSS was dissolved (1 October 1945) and its clandestine services were transferred to the War Department as the Strategic Services Unit (SSU), they took with them the administrative apparatus of OSS.* CIG, in its earliest days, was dependent on this continuing OSS/SSU administrative organization for support. When OSO was created out of SSU (11 July 1946), it included an administrative organization corresponding to that of SSU. When OPC was created (1 September 1948), it looked to OSO, rather than to CIA, for covert administrative support.

The central administration of CIG/CIA was, essentially, the creation of Vandenberg and Wright.

* No one actually moved, of course. As the remnant of OSS, SSU simply continued to function in the OSS complex at 2430 E Street.

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When it attempted to absorb the administrative elements of OSO, it was rebuffed. The clandestine services contended, with reason, that administrative support for covert operations must be itself a covert operation; identification with the overt administration of CIA would result in exposure. There was also some merit in their contention that the administrative personnel of CIA were not professionally qualified to understand the peculiar requirements of clandestine operations. The other side of the argument was, of course, the personal responsibility of the DCI for the use made of unvouchered funds.

Hillenkoetter ordered the centralization of administrative support for covert operations, but the clandestine services appealed to the NSC Survey Group, which found in their favor, as did the NSC in NSC 50. Thus the issue became stalemated in the stalemate regarding the implementation of NSC 50.*

General Smith characteristically decreed that his Deputy Director for Administration should have

* The complex situation summarized above will be reviewed in detail in the appropriate Directorate and Office histories.

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charge of all CIA administrative activities, but the DDCI (Jackson), the DDP (Dulles), the ADPC (Wisner), and the ADSO (Schow, later Wyman) were all personally committed to the concept that the clandestine services should control their own administrative support and there was no real change in the previously existing situation. The issue was papered over by various devices. John O'Gara was named Assistant DDA (Special) and at the same time Assistant DDP (Administration). The administrative services that had been in OSO were gradually brought under the direct control of the DDP. They were not in any effective sense under the control of the DDA.

On 10 December 1951 an exasperated DCI laid down the law in no uncertain terms. Those assembled to receive instruction were William Jackson (now the Senior Consultant), Allen Dulles (the DDCI), Frank Wisner (the DDP), Colonel Kilbourne Johnston (ADPC), General W. G. Wyman (ADSO), Walter Wolf (the DDA), and Colonel Lawrence White, who had been selected to replace Shannon as Assistant DDA. Characteristically, General Smith explained himself by an Army analogy, referring to the relationship of a unit quartermaster

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to the Quartermaster General of the Army on the one hand and to the unit commander on the other.

Smith reiterated that the DDA was directly responsible to the DCI for all administrative support within the Agency. He ordered the DDP not to establish any duplicate administrative organization in his own office, or in OSO or OPC. He authorized the DDP to install in his own office a senior administrative officer who would belong to the DDA (the Quartermaster General), but would work for the DDP (the unit commander) to ensure adequate support services for his operations. There would be similar administrative officers in OPC and OSO; they would be the "quartermasters" of those offices, analogous to the quartermasters of Army divisions.

General Smith made it clear that the operating offices would exercise control over the employment of the men and material allocated to them, reserving to the DDA the function of inspection and audit over all programs to ensure that they were implemented properly and in accordance with approved directives.

At the conclusion of this performance Jackson polled all those present and made each agree that the

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system prescribed by the Director was a major change from that which had hitherto prevailed and that each would accept the minutes of the meeting as a memorandum of understanding on the subject.*

Concurrently with this personal intervention, Smith relieved Shannon as Assistant DDA** and designated Colonel Lawrence ("Red") White to replace him. Smith considered that White had the force of character that would be required to enforce Smith's will. White was embarrassed during the 10 December meeting as Smith kept saying what White (rather than Wolf) would do in that regard.115/

"Red" White, 39, was a native of Union City, Tennessee and a graduate of the US Military Academy (1933). He had commanded an infantry regiment in combat in the Southwest Pacific. He was wounded in action in Luzon in April 1945, spent the next two years in military hospitals, and was retired for combat

* White's minutes of the meeting were dated 12 December. Two days later Becker, the Executive Assistant, put out an insignificantly revised version.114/

** For the time being Shannon was carried as Special Assistant to the DDA.

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disability, 31 March 1947. Meanwhile General Sibert had recruited him to be the Deputy Chief, later the Chief, of the Foreign Broadcast Information Branch.* In that role his particular task was to purge the FBIB of unclearable linguists and mediocre engineers. It was a task that required a certain ruthlessness for the good of the service. On 13 December 1950 he was made Deputy Assistant Director, Operations, vice Kirkpatrick, who had gone to be Executive Assistant. He went to work as the Assistant DDA (in practical effect the working DDA), on 11 December 1951.116**

General Smith's prescribed system was put into effect on 1 August 1952. John O'Gara was then relieved of his dual Assistantship and "Ted" Shannon was appointed to be the new Chief of Administration, DDP.*** This change coincided with the general reorganization

* White reported for duty as Deputy Chief, FBIS, on 9 January 1947. He became Chief, effective 29 September.

** White was not formally appointed to that position until 1 January 1952.

*** The clandestine services came to appreciate Shannon's talents when he went to work for them. He had a long and successful career in DDP, [REDACTED]

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of the clandestine services under the direct command of the DDP.*

"Red" White had covered his minutes of the 10 December meeting with a personal memorandum which said 117/:

No matter what is written on this or any other paper, it is not worth the paper it is written on unless those responsible for implementation cooperate in a sincere effort to make it work I know that we can do it if people would only forget their jurisdictional disputes and give us a chance!

So it was done, under the forceful leadership of "Red" White in carrying out Bedell Smith's forceful command -- although the DDP continued to grumble about the hindrances he suffered from his loss of control over his own men and resources.**

* See Volume IV, Chapter II.

** Wolf resigned as DDA after Smith's departure. White became Acting DDA on 1 July 1953, and DDA on 21 May 1954. According to Colonel White, the more than ten months' delay between those two dates was attributable to the new DCI's desire to obtain a more prestigious figure to be DDA.118/ Finally it was realized that it would be better to retain White in that office.

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G. The Deputy Director for Plans (DDP)

The same general order that established the office of Deputy Director for Administration provided also for a Deputy Director for Operations, but showed that office to be vacant.^{119/} It was being held open for Allen Dulles.

The function of the Deputy Director for Operations (later redesignated Deputy Director for Plans) was to exercise general supervision of the Offices of Operations, Special Operations, and Policy Coordination.^{120/} The Dulles Report had recommended that those three offices be "integrated" into a new self-sufficient and semiautonomous "Operations Division."^{121/} For his own reasons, however, Bedell Smith desired to avoid merging OSO and OPC.* To appoint a single Deputy Director in general charge of the three offices was a way of providing for the necessary coordination of their activities without actually integrating them. Bedell Smith must have had this arrangement already in mind on 12 October 1950, when he told the NSC that

* See Volume IV, Chapters I and II.

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he would not at this time integrate OSO, OPC, and [REDACTED]
[REDACTED] OO, as directed by NSC 50.*

Before leaving New York, Smith had discussed the subject with Allen Dulles and had persuaded him to come to CIA for six weeks as a consultant.122/ Dulles came in that capacity on 16 November 1950. The Office of Deputy Director for Operations was created on 1 December. On or about 18 December, Dulles agreed to accept appointment to it under a different title, Deputy Director for Plans.123/ That was thought to be a less revealing designation.

On 22 December, Allen Dulles drew up a contract memorandum defining his position in CIA. He would enter on duty full time as DDP on 2 January 1951, on a "without compensation" basis (except for per diem and travel expenses while away from New York) pending reconsideration of that matter before 1 July 1951.124/ Evidently Dulles was not yet willing to commit himself beyond that date.**

* See pp. 21-22, above.

** Dulles remained in this non-committal status until 23 August 1951, when he took office as DDCI. He then had to commit himself, since that was a statutory office.

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Dulles's initial avoidance of a long-term commitment probably reflected his awareness that there was a sharp policy difference between Bedell Smith and himself. Dulles was still convinced that the integration of OSO and OPC was indispensable to efficient and secure clandestine operations. When he accepted appointment as DDP, he must have known that Smith was diametrically opposed to that. As DDP, Dulles took care to avoid a flagrant violation of Smith's orders, but nevertheless worked steadily toward the eventual accomplishment of his own purpose in disregard of Smith's known policy.* So doing, he knew that he risked provoking a violent reaction by Smith that would make his own position in CIA untenable.

Smith, for his part, did not engage Allen Dulles to carry out the recommendations of the Dulles Report, as is commonly (and logically) supposed. The evidence is clear that that was contrary to Smith's intention in 1950. Rather, Smith engaged Dulles despite his known views on that subject, because he valued Dulles's experience and skill as a clandestine operator and

* See Volume V, Chapter II.

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thought to make use of those qualities, while retaining policy control in his own hands.

Smith never felt the same confidence in Allen Dulles and Frank Wisner that he did in William Jackson. During 1951 he had Jackson "survey" (investigate) the offices under Dulles's supervision.* With reason, he came to suspect that Dulles and Wisner were actually pursuing a policy contrary to his own. In exasperation, he visited upon them more violent manifestations of his wrath than he did upon anyone else.125/

The reactions of Dulles and Wisner to this treatment were markedly different. Allen Dulles was sufficiently self-assured to be able to laugh about it -- out of Smith's presence, of course. In the security of his own office, Dulles would exclaim: "The General was in fine form this morning, wasn't he? Ha, ha, ha!"126/ But Frank Wisner was always shaken. He likened an hour with General Smith to an hour on the squash court 127/ -- and he did not mean by that to suggest that he enjoyed it.

* See p. 117, below.

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William Jackson had engaged to remain as DDCI for only six months. Actually, he stayed for more than ten. When his departure was in contemplation, Allen Dulles was not his choice to be his successor -- nor Smith's either, apparently.^{128/} Jackson persuaded Smith to offer the position to Gordon Gray, who declined it.^{129/*} Jackson's impatience to get back to Whitney & Company did not allow him to search further for a successor.

Jackson ceased to be DDCI on 3 August 1951.** After some hesitation, Allen Dulles was appointed to succeed him, on 23 August. Frank Wisner then succeeded Dulles as DDP.

H. The Deputy Director for Intelligence (DDI)

During October and November 1950 it was contemplated that there would be a third specialized deputy

* Jackson had known Gray as a lawyer in New York. In 1949 Gray had been a candidate for appointment to be DCI (see p. 4, above). Appointment as DDCI would have been a step toward the realization of that ambition. But in 1951 Gray was President of the University of North Carolina, only temporarily in Washington as Director of the staff of the Psychological Strategy Board (see Volume IV, p. 25). Evidently he was no longer interested in becoming DCI.

** He remained active in CIA affairs as the Director's "Special Assistant and Senior Consultant."

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director, a Deputy Director for National Estimates.^{130/} That title was a misnomer in that this deputy would have supervised all of the components of CIA not covered by the DDA and DDP, not just the Office of National Estimates. He would have been equivalent to the Deputy Director, Intelligence as that office was eventually set up. It should be remembered, however, that in late 1950 it was not contemplated that CIA would engage in much intelligence research, even as a "service of common concern," and what there was to be of that was thought of as primarily contributory to national estimates.

However, the general order issued on 1 December did not provide for a Deputy Director, National Estimates (DDNE), as it did for a Deputy Director, Operations, even though that office remained vacant at the time. The probable reason for that omission was that no suitable appointee had yet been found, as Dulles had been found for Operations. General Smith desired to make Admiral Leslie Stevens his deputy for National Estimates* -- he had known Stevens as

* Smith's statement to this effect is recorded in the notes that Colonel Howze prepared for General Bolling (footnote continued on following page)

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Naval Attache in Moscow -- but Stevens, the Deputy Director of the Joint Staff for Subsidiary Plans (covert operations), could not be persuaded to leave that position.

In these circumstances, the DDCI, William Jackson, exercised particular supervision over the Offices that would have been allotted to a DDNE. Jackson did not confine his attention to those offices, but they were the ones that had particularly interested him as a member of the NSC Survey Group.*

When Allen Dulles became DDCI, he continued to function as a super-DDP and paid little attention to the Offices that Jackson had supervised in particular. Thus a need for a third specialized deputy came again to be felt. Loftus Becker, the Executive Assistant, proposed the appointment of Kingman Douglass to that position.** Douglass, however, had already committed

on Smith's first meeting with the IAC, 20 October 1950, 131/ though not in IAC-M-1. In context it is implicit that Howze understood that Stevens would have had jurisdiction over both ONE and ORR.

* See Volume I, p. 88.

** Douglass had been Souers's DDCI and was then Smith's Assistant Director, Current Intelligence. (See Volume III, p. 111.)

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himself to return to Dillon, Read & Company at an early date. He declined the appointment and returned the compliment by nominating Becker, who was appointed.^{132/} Becker took office as Deputy Director for Intelligence (DDI) on 1 January 1952.

The reorganization of CIA pursuant to NSC 50 had already been accomplished before Becker was made DDI.* The six offices placed under his supervision initially were Collection and Dissemination (OCD), Current Intelligence (OCI), Intelligence Coordination (OIC), National Estimates (ONE), Research and Reports (ORR), and Scientific Intelligence (OSI). On 1 March 1952 the Office of Operations (OO) was transferred from the jurisdiction of the DDP to that of the DDI.

Becker understood the functions of the DDI to be threefold: (1) to gather the "fatherless" Assistant Directors together into one family and to resolve jurisdictional disputes among them,** thus reducing

* See Volume III.

** The principal jurisdictional dispute requiring resolution was between OCI and ONE. See Volume III, pp. 122-34.

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the DCI's span of control; (2) to deal on more even terms with the DDP in coordinating the relationship of those offices with the clandestine services; and (3) to serve as the DCI's principal adviser and representative with regard to the coordination of intelligence activities and in other external relationships.^{133/} When these functions were finally defined in regulations in March 1953, the last was made first: the DDI was to assist the DCI in the coordination of intelligence activities, and also to direct and coordinate the seven offices named above.^{134/} Becker briefed the DCI on the IAC and NSC agendas, presided at the IAC in his absence, and represented CIA on the NSC Senior Staff.

The "fatherless" Assistant Directors found it hard to regard Becker, 40, as a father figure. That was particularly true of Sherman Kent, 48, the newly appointed ADNE, and Raymond Sontag, 54, Kent's deputy. Both of them regarded Loftus Becker with personal disdain. Kent dutifully attended Becker's meetings with the Assistant Directors under his supervision and recognized Becker's authority in administrative matters, but refused to submit to Becker's supervision in any

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matter of intelligence judgment. To Kent it was important to maintain the principle that the Board of National Estimates was directly in the service of the Director of Central Intelligence.135/

Within a month after they both took office, the tension between Becker and Kent was such that Becker demanded of Smith that he have Stuart Hedden, the Inspector General,* investigate ONE. Smith took the occasion to teach Becker a lesson in command relationships. Hedden was Smith's Inspector General, not Becker's. Becker had supervisory authority over ONE. If he was not satisfied with ONE's performance, it was his responsibility to correct the situation himself. He should not call on Hedden or Smith to do that for him.136/

That was all very well, but no help to Becker, especially when Smith went on to justify ONE against Becker's particular complaint.** It may have pleased Smith's sardonic humor to see whether Becker could indeed impose his authority on Kent.

* See pp. 122-23, below.

** See p. 42, above, and Volume III, pp. 75-77.

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If Bedell Smith had been dissatisfied with the existing situation, it would have been changed in short order, but in fact Smith was satisfied with the situation as it stood. Becker had general supervision of CIA's production of substantive intelligence to meet NSC requirements. In that capacity, it was proper for him to make the Board of National Estimates pay attention to NSC requirements and schedules.* But Smith shared Kent's view of the direct relationship between the DCI and the Board of National Estimates with regard to the substance of estimates** and he encouraged Kent to continue to come directly to him in such matters.

It worked out in practice in accordance with Smith's conception. ONE was subject to the administrative control of the DDI. Kent had to submit to Becker's direction with regard to the programming and production of estimates, but Kent continued to deal directly with the DCI with regard to the substance of estimates.

* See Volume III, pp. 79-81.

** See Volume III, pp. 36 and 41.

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There was less strain in Becker's relations with the other IAD's,* but the practice was similar. Becker exercised a general supervision of the production schedules of OCI, ORR, and OSI as well as ONE. He did not attempt to subject the substance of their intelligence production to his personal judgment prior to publication, but he did review their published works for relevance and cogency.137/

I. The Director's Daily Meeting with His Deputies

Beginning on 23 March 1951, General Smith met daily with his three (later four) Deputies, his Executive Assistant, and one or two others on occasion. These meetings were recorded as the "Director's Meeting" until 6 June 1952, when they came to be called the "Deputies' Meeting."138/ It was in these meetings that Smith exercised, primarily, his command and control of CIA.

It has been said of Allen Dulles that, as DCI, he was too greatly preoccupied with covert operations, to the exclusion of his other responsibilities. It is

* Intelligence Assistant Directors (those under the supervision of the DDI).

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pertinent to observe that Bedell Smith, who had never before been a covert operator, spent almost all of his time with his Deputies discussing covert operations: their proper organization within CIA, interdepartmental relations with regard to them, and matters relating to particular operations in the field. Those were the besetting problems of the time, with a local war in progress in Korea and with general war deemed possibly imminent. The production of finished intelligence and the coordination of interdepartmental intelligence activities could be left to the DDI.* The general administration of the Agency could be left to an able Assistant DDA. But covert operations commanded the personal attention of the DCI.

One consequence of this situation was that, whereas the Assistant Director, National Estimates, was pretty much his own boss (subject to the concurrence of the IAC), the Assistant Directors for Policy Coordination and Special Operations had to function

* In practice the ADNE assumed responsibility for the production of national intelligence estimates and tended to ignore the DDI.

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under the close scrutiny of a three-tiered hierarchy: the DDP, the DDCI, and the DCI himself.

The normal procedure in this daily morning meeting was that Bedell Smith opened the discussion by inquiring about items in the Daily Log that had particularly interested him. Then the others in turn brought up the matters that they particularly wished to bring to the attention of the Director. The discussion sometimes became general, but was more often a dialogue between the deponent and the DCI. On the basis of the discussion, Smith sometimes rendered his decision, sometimes called for a further study of the subject and report to him.139/

The meeting began to resemble a squash court* when Bedell Smith began to cross-examine Allen Dulles and Frank Wisner. He suspected them both of being not entirely candid with him. He thought that Wisner in particular was unduly slow and vague in his responses. He was determined to make them both respond to him as he thought they should.140/

* See p. 86, above.

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J. The Career Service and the Office of Training

One of General Smith's first concerns, on taking command of CIA, was to establish service in the Agency as a professional career. Smith was certainly well aware of the deficiencies of the military intelligence services, which were primarily attributable to a lack of professional training and continuity of experience in intelligence work.* He must also have heard the common criticism of OSS operations as amateurish -- which was inevitable at that time. He had probably heard Allen Dulles's opinion that the chief thing the matter with CIA was the generally low quality of its personnel, haphazardly recruited during

* In the pre-war Army, the "Manchu Law" prevented anyone from making a career of general staff service. Intelligence theory and practice were not taught in the Service schools or in field exercises. The intelligence required in presenting operational problems was given: it did not have to be obtained. Intelligence staffs were merely token units, except on the Mexican border and in overseas commands. To be assigned to intelligence duties was to be side-tracked from the main line of professional advancement. The only men who could be considered professional intelligence officers were those with sufficient private means (and lack of military ambition) to be military attaches.141/

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Vandenberg's rapid expansion of CIG.* His own view was that "continuity of high caliber personnel, possessing specialized training and experience, is essential for the conduct of the Agency's activities."142/

In his initial approach to this problem, Smith was probably thinking primarily of operational personnel of the clandestine services. Academic training and experience might suffice for the DDI offices, but Smith wanted his young operators to be instilled with military discipline and devotion to duty.143/ He was also thinking in terms of a statutory establishment like those of the Foreign Service and the FBI, which would permit reassignment by order (rather than by negotiated personal agreement).** He realized that a career service under such discipline would have to be made attractive in other respects in order to obtain volunteers. In particular, he wanted authority to award decorations for valorous or meritorious service.144/***

* See Volume I, pp. 26 and 88.

** He was afterwards persuaded that no statute was necessary.

*** The first fruit of this idea was the National Security Medal authorized by Executive Order in
(footnote continued on following page)

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On the recommendation of the DDCI, William Jackson, Smith recruited Colonel Matthew Baird to develop a career service program.* Smith, a graduate of the Infantry School, the Command and General Staff School, and the Army War College, if not of West Point, considered such formal mid-career training to be an essential element of career development. Baird was therefore given the title of Director of Training, as a subordinate of the DDA.

Baird's appointment occasioned considerable bureaucratic anguish. CIA already had two training programs. One, conducted by the Office of Personnel for overt employees, was taken over by Baird without too much trouble. The other was conducted by OSO for

January 1953. It was first awarded to Walter Bedell Smith himself, on his retirement as DCI, and has rarely been awarded since then. The Distinguished Intelligence Medal and Intelligence Medal for Merit came later.

* Baird, 49, had been Jackson's roommate at Princeton.^{145/} A native of Ardmore, Pennsylvania, he held a Princeton MA (1925) and Oxford B. Litt. (1928), and had been Assistant Headmaster, Haverford School, Headmaster, Arizona Desert School, and owner-operator of the Ruby Star Ranch, near Tucson. During the war he served in the South Pacific, finally as CO, 13th Air Force Service Command. He was recalled to active duty in December 1950 and assigned to CIA.

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the instruction of covert employees in the techniques of clandestine operations. The clandestine services felt strongly that they must control that program, for professional as well as security reasons. They had frustrated previous attempts by the Office of Personnel to take it over. Thus Baird found himself involved in the longstanding conflict between Administration and the clandestine services over the control of administrative support for clandestine operations.

On 22 March 1951, General Smith intervened to say that Baird was his director of training, and that he intended Baird to "plan, direct, and supervise the basic training for operational personnel."^{146/} Then, suiting the action to the word, on 18 April 1951 Smith removed Baird's Office of Training from the jurisdiction of the DDA and subordinated it to himself directly.* He then declared that the Director of Training was to "supervise all Agency training programs and conduct such general training programs

* Smith's point having been made, on 3 February 1955, the Office of Training was subordinated to the new Deputy Director for Support (DDS).

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as may be required ..." (emphasis supplied).147/

These terms left open the question as to who would conduct specialized operational training. In July, however, the entire clandestine training apparatus was subordinated to the Director of Training, although it continued to be shown as subordinate to DDP on the DDP organization chart.148/ The Director of Training did not get full control of it until the reorganization of the clandestine services in August 1952.*

Meanwhile, on 3 July 1951, Baird produced a staff study proposing the establishment of a "small elite corps" within the Agency, to be recruited from among recent college graduates and middle-grade employees. The provisions of this plan for career management and development were generally accepted, but the idea of an "elite corps" was universally condemned. On 17 September, Smith vetoed the idea, saying that he wanted the career service to include

* See Volume IV, Chapter III. With regard to the training programs developed by Baird, see the history of the Office of Training.

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all the professional employees of CIA.^{149/} Implicit was the thought that any professional employee who could not be regarded as "elite," or who would not commit himself to career service, should be got rid of without delay.

Smith then referred the problem of developing a plan for a Career Service to a committee headed by the DDA, Walter Wolf. The plan produced by that committee was adopted in June 1952.^{150/} Its implementation was supervised, not by the Director of Training, but by a permanent Career Service Board composed of the DDA (Chairman), DDI, DDP, Director of Training, and Director of Personnel, supported by a career service committee or board in each Office or Area Division.^{151/}

With regard to the Career Service, Smith had two superficially contradictory objectives: he wished to purge CIA of incompetent or only marginally competent personnel, but at the same time he wished to establish continuity of service as the norm. This duality of purpose sometimes led him to zig-zag in his pronouncements. At the Director's Meeting on 7 December 1951 he declared that the turnover rate was too high; he

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wanted recruiting to be more selective, with some assurance of at least three years of service.^{152/} A few days later Wolf reported that the turnover rate was actually very low. It had been 12.2 percent in April and 8.8 percent in August,* but was now only 1.4 percent per month, compared with 3.6 percent for the Government as a whole.^{153/} At the next Staff Conference, Smith declared that the recent expansion of the Agency had been too rapid; recruitment should be slower and more selective. When General Trubee Davison, the Director of Personnel, demurred that the turnover rate was actually low, Smith responded emphatically that he wished it were higher, if that meant that the Agency was being purged of the unfit. He then declared that there was no need to slow down recruitment, so long as recruiting standards were raised.^{154/}

General Smith repeatedly urged the recruitment of more young women into the professional ranks of

* These high rates reflected the impact of life under General Smith on the personnel inherited from Vandenberg and Hillenkoetter. Smith should have been gratified thereby.

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the Career Service. In August 1951 he remarked that CIA needed also some "good young Bunches," especially in the clandestine services.155/*

In personnel policy, General Smith sought also to bridge the chasm between the DDI and DDP areas. A good Career Service officer ought to be able to serve effectively on either side of the house. In December 1952, he was gratified to observe that a number of Station Chiefs were returning to Headquarters and being replaced by personnel from Headquarters. The replacements should be mature Career Service personnel from both sides of the Agency, men who would be capable of functioning well overseas after a course of instruction. The returning Chiefs should not be assigned to the same area at Headquarters, but rather to a different service,

* The reference was, of course, to Ralph Bunche, a former section chief in the R&A Branch of OSS. In 1951, Bunche was Professor of Government at Harvard University and Director of the Trusteeship Department of the United Nations staff. He had come to public notice in 1949, when he succeeded in establishing an armistice between the Arabs and Israelis.

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in order to broaden their experience.156/*

General Smith anticipated that eventually the most senior positions in CIA would be filled by selection from the Career Service. Until Career Service officers had been qualified by training and experience, one of the Agency's greatest problems, he said, would be the difficulty of finding men adequately qualified for such positions.157**

K. The Office of Communications and the Cable Secretariat

For reasons similar to those that moved him to attach the Office of Training to his own office,

* This was an old Army assignment policy. Smith's intention was most conspicuously fulfilled in the case of Ray Cline, [REDACTED]

[REDACTED] In the end, however, Cline left CIA to become Director of the Bureau of Intelligence and Research in the Department of State.

** The first Career Service officer to become DCI was, of course, Richard Helms, appointed in 1966. [REDACTED]

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General Smith a year later took the Office of Communications away from the DDP and subordinated it directly to himself.

The communications organization of OSS survived in SSU and passed intact into the CIG Office of Special Operations. In October 1950, when General Smith became DCI, this unit was known as the Communications Division of OSO. In July 1951 it became the Office of Communications, directly subordinate to the DDP.158/

During 1951, there was a sharp increase in CIA's overseas operations, in response to the sense of war emergency then prevailing,* and a correspondingly sharp increase in CIA's overseas communications.159/ In order to strengthen his communications system, General Smith enlisted the services of Major General Harold M. McClelland, USAF (Ret.).160/

McClelland, 58 in 1951, was a native of Tiffin, Iowa, and a graduate of Kansas State University (1916). He entered the Army in 1917 and became a pilot in the Army Air Service. As his career progressed, he became

* See Volume IV, Chapters I and II.

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a specialist in meteorology and communications, and the inventor of various electronic devices. At the onset of war in 1941 he was in charge of all aspects of Army Air Corps communications; he developed for the Army Air forces the largest communications system the world had yet seen. His last service before retirement was as the first Director of Communications and Electronics in the Department of Defense and Chairman of the Joint Communications and Electronics Committee.

General McClelland took office as Assistant Director, Communications, on 10 September 1951. In that office his primary concern was with the technical development and organization of a world-wide secure communications system. He was only incidentally concerned with the control and distribution of messages received.

General Donovan, as Director, OSS, and General Magruder, as Director, SSU, had controlled the distribution of OSS and SSU cables through an Executive Secretariat in their own offices. No DCI, however, had ever exercised such control over the distribution of CIG/CIA cables. The communications system belonged

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to the ADSO, later to the DDP. The DCI saw only such cables as the ADSO, ADPC, and DDP chose to bring to his attention. Normally, the cables went directly to action officers in OSO and OPC, and then took several days, or longer, to filter up through the hierarchy to the DCI -- if he ever saw them at all.161/

When General Smith realized how this system worked, he was intensely dissatisfied. He lacked confidence that the DDP was keeping him adequately informed. He feared that some blunder overseas might become public knowledge before he knew anything about the situation that had produced it. As he put it to Earman, a general who does not know what his field forces are doing is not in command.162/

General Smith determined that all CIA cables should be addressed to the Director, and that their distribution should be controlled by a Cable Secretariat located in his own office -- the same device that Donovan and Magruder had employed. The chief of this secretariat, a man loyal to the Director exclusively, would select from the entire traffic those cables that he thought should be brought

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immediately to the Director's attention.*

General Smith had such a man in mind. He was Major Gordon Butler, USA, who had served Smith in the JCS Secretariat and in the general staff secretariats at AFHQ and at SHAEF. Smith arranged for Butler's prompt assignment to duty with CIA. When Butler reported to him, on 22 July 1952, his instructions were brief: "You know what I want. Any questions? See Jack Earman for anything that you need."164/

General McClelland was in accord with General Smith's purpose, but the clandestine services strongly resented having their messages read by any outsider. In particular, they resisted revealing the identities concealed by the pseudonyms they used, without which their messages were usually unintelligible. This problem was eventually overcome, but only after General Smith had made some explosive remarks on the subject.165/

When the clandestine services were organized, on 1 August 1952, under the direct control of the DDP,

* Evidently at Smith's direction, McClelland submitted to Smith, on 9 July 1952, a plan for such a Cable Secretariat.163/

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the Office of Communications was removed from DDP control and attached directly to the Office of the Director. The Cable Secretariat remained a separate entity within the office of the Director, under the supervision of the Executive Assistant rather than the Director of Communications.166/*

L. The Historical Staff

In December 1950, William Jackson told his morning staff meeting that he wanted a history of the Agency prepared on a current basis, for the information of future Directors regarding the evolution of the organization.167/ A month later Jackson had developed this idea further. A Historical Branch would be formed in OIC. It not only would prepare and keep current a history of CIA but also would prepare the Agency's annual reports and any speeches to be delivered by senior officials, and would handle any necessary relations with the press.168/ Thus Jackson

* Smith's point having been made, on 3 February 1955 the Office of Communications was subordinated to the new DDS. The Cable Secretariat remains (1971) within the office of the Director.

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conceived CIA's interest in its own history to be closely related to public relations.*

Jackson's idea was put into effect in May 1951, when Lieutenant Colonel Chester Hansen, USAF, was appointed Assistant to the Director and Chief of the Historical Staff.^{170/} Thus that Staff was located in the Office of the Director rather than in OIC.

Hansen was a public relations man who had entered the Army in 1941 and had served for nine years as an aide to General Omar Bradley, in the 28th Division, II Corps, First Army, 12th Army Group, Veterans Administration, and Joint Chiefs of Staff. He was the ghost-writer of General Bradley's book, *A Soldier's Story*. That book went to press in March 1951 ^{171/} -- which made Hansen available to Jackson in May.**

* Jackson's initial choice of a man for this work was Shane MacCarthy ^{169/} 42, a native of County Cork who must have kissed the Blarney Stone before leaving Ireland. MacCarthy had no qualifications as a historian, but was a master of showmanship. He became Orientations Officer in the Office of Training.

** Jackson had known Hansen at 12th Army Group, of course, and also in Washington since October 1950. Jackson was in intimate contact with General Bradley's office; he married the General's secretary.

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Hansen did not himself attempt to write the desired history of CIA. He engaged the services of Arthur Darling, 59, head of the history department of the Phillips Academy at Andover, as a professional consultant to help to set up the project.* Darling came to CIA in October 1951 on leave of absence from Andover until June 1952. He hoped, however, to remain permanently as the CIA Historian.172/

After months of consultation between Hansen and Darling, it was Jackson who defined what the character of the history should be. It should be a "historical audit" of the "evolution of the concept of a national intelligence system," for the information of the President, the NSC, and the IAC as well as the DCI, so that all might learn from the Agency's successes and failures. The history should "pay close attention in historical perspective to any weaknesses in the organization and defects of administration that might emerge" 173/ Darling understood that to mean that the history should set forth the horrors of the pre-Smith period in order

* Darling had been Associate Professor of History at Yale.

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to justify and applaud the reforms of the Smith era.^{174/}
In short, the desired history was to be evaluative and
instructive, not to say hortatory.

General Smith's comment on that idea was to say
that what *he* wanted was a "dispassionate chronological
history" (by which he presumably meant a strictly ob-
jective narrative). If Darling was not the man to do
that, someone of the stature of S.L.A. Marshall should
be engaged to do it.^{175/}* However, Darling's leave
of absence from Andover was extended until June 1953,
and he went to work on the history as instructed by
Jackson.**

Hansen was not much interested in the Historical
Staff. As Assistant to the DCI, he handled such public
relations problems as CIA then had. He was not much
employed, and in July 1952 asked for a more interesting

* Brigadier General Samuel Lyman Atwood Marshall was
an outstanding military historian. A journalist until
1942, but a veteran of World War I, he had become an
Army combat historian. Smith had known him in 1944-45
as the Army's Chief Historian in Europe. By 1952 he
had published eight military historical works and had
been chief Army historian in Korea.

** Jackson may have doubted that a historian of Marshall's
stature would serve his purpose.

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CIA assignment overseas.^{176/} Instead, he was released to the Air Force in October, and Colonel Stanley Grogan, USA (Ret.) was appointed to the position thus made vacant.^{177/} General Smith had known Grogan as a classmate at the Infantry School in 1931 and as the War Department's first public relations officer, in 1941.* Like Hansen, Grogan concerned himself with public relations almost exclusively and paid little attention to the Historical Staff.

Darling accomplished a monumental work in assembling from many scattered sources documents of historical value relating to the pre-Smith period of CIA's history and in recording interviews with men who had played leading parts during that period. These papers became the basis of the Historical Staff's Historical Collection.** Darling's history, however,

* Grogan, 61 in 1952, was a native of Archbald (near Scranton), Pennsylvania. After graduation from high school in 1909, he went to work as a newspaperman, but he obtained a Regular Army commission in 1917. Most of his Army career was spent in press relations work. He had been retired for about a year when General Smith found him to replace Hansen.

** Not to be confused with the Historical Intelligence Collection assembled by Walter Pforzheimer.

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was not the "dispassionate" narrative that General Smith had wanted. Neither was it the elaboration of the Dulles Report that William Jackson had expected. Darling took as his heroes the embattled DCI's, Vandenberg and Hillenkoetter, and condemned, at least by implication, all those who had criticized and opposed them, including the NSC Survey Group.^{178/} When Allen Dulles became aware of that, he was very displeased.^{179/}

In January 1953, General Smith decided that Darling's services should not be retained beyond expiration of his leave from Andover, in June, and that Forrest Pogue should be invited to become the CIA Historian.^{180/} Smith had known Pogue as one of S.L.A. Marshall's military historians in Europe and as the author of the official US history of SHAEF.*

That is where Bedell Smith left this matter. To finish the tale, one may add that Pogue indicated a willingness to come to CIA early in 1954, when he would have completed his contract with the Operations

* *The Supreme Command*, Washington, 1954.

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Research Office of Johns Hopkins University in Heidelberg.* Darling was therefore retained until December 1953 to complete his history,** but Allen Dulles, the new DCI, decreed that it must be kept under lock and key, to be seen by no one without the Director's express permission.***

M. The Inspector General

One of General Smith's first acts, on assuming command of CIA, was to call for a series of briefings on the component Offices of the Agency. He followed up these briefings with visits to each Office in turn. The General held that a commander should get out of his headquarters and go to see the troops -- and be

* Instead of coming to CIA as had been expected, Dr. Pogue excused himself, in March 1954, and accepted an appointment to be Professor of History at Murray State College, Murray, Kentucky. He was a graduate of that college and had been professor of history there before the war.

** After retiring from the Agency, Darling lived in Washington for a number of years. He died in Paris in November 1971.

*** The Darling history is now available through the Historical Staff. Indeed, most of it has been published in *Studies in Intelligence*. It should be read, however, with cognizance that Allen Dulles considered it a misinterpretation of the history of the pre-Smith period -- as does the present author.

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seen by them. He urged his principal lieutenants to follow his example in that respect. In particular, he wanted the DDP, ADPC, and ADSO to make more frequent visits to overseas stations. But Smith did not suppose that such visits would constitute a thorough inspection. For that purpose, he said, CIA should have one or two full-time inspectors.^{181/}

Meanwhile Smith kept his Deputy, William Jackson, busy making "surveys"* of particular Offices, notably of OPC, OSO, and OO, the three Offices supervised by the DDP. Even after he ceased to be DDCI, Jackson continued this work, as the Director's "Special Assistant and Senior Consultant."^{182/} Apparently Smith considered Allen Dulles to be too intimately related to the clandestine services to be able to give him an independent and impartial check on them. Thus William Jackson may be regarded as CIA's first Inspector General, although he never bore that title.

* This term seems to have been carried over from the title of the NSC Survey Group (1948).

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In June 1951 the employment of Stuart Hedden was under consideration in CIA.183/* Jackson thought that he might do to head a certain covert project.184/ Late on a day in September Hedden paid a personal call on General Smith. He was expected to stay about 15 minutes, but remained closeted with Smith for nearly two hours, well past the close of business. When he finally emerged, he told Earman that he might have upset the General; he had talked back to him.185/ On the contrary, Smith was delighted -- few of his associates dared to do that -- but Hedden could hardly have got away with it if Smith had not been strongly impressed by Hedden's quick intelligence and force of character. Smith told Hedden that a man of his ability ought to be working for the United States Government.186/ He told Earman that Hedden was just the man to be his Inspector.187/

On 11 September, Smith asked Jackson how Hedden would do as Inspector. Jackson's response was negative;

* Hedden, 52 in 1951, was a native of Newark, New Jersey, and a graduate of Wesleyan University (1919) and Harvard Law School (1921). After practicing law in New York, he had become an investment banker.

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Hedden would need considerable training before he could undertake that role. Smith replied with some umbrage that of course he had assumed that Hedden would have at least six months of training and experience before undertaking such duties.^{188/} Smith repeated the question on 16 October, and again Jackson's response was negative, although he conceded that he had no doubt of Hedden's character and ability.^{189/}

Stuart Hedden entered on duty as a Special Assistant to the Director on 30 October 1951, and was immediately associated with Jackson in the "survey" of OO. Their joint report was dated 13 November. Hedden also studied the feasibility of a separate administration for the clandestine services,* reporting to Jackson on 26 November. He made also a Jackson-type "survey" of OCI, reporting on 7 December. Having had this training and experience, he was appointed Inspector General effective on 1 January 1952.^{190/}

The draft of the order appointing Hedden had designated him as "Inspector, with the rank of Assistant Director." That was a formula that the DCI had used

* See pp. 77-80, above.

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in designating General Harold M. McClelland to be Director of Communications.^{191/} Smith, however, personally directed that the phrase designating the Inspector an Assistant Director be deleted.^{192/} He may have considered "Assistant Director" to be a title of command, inappropriate for a staff officer. He certainly considered his Inspector, who regularly attended his meetings with his Deputies, to be of higher personal rank than an Assistant Director.

The status and duties of the Inspector General were never formally defined during Hedden's tenure. General Smith probably assumed that everybody would know what that title meant. He made it clear that Hedden's requests for information were to be treated as requests from the DCI himself, and that Hedden was privileged to short-circuit the chain of command in seeking information. He did not make it clear to Hedden that the responsible officers in the chain of command were entitled to know and respond to whatever Hedden was reporting to Smith on the basis of information thus obtained.

The clandestine services never welcomed prying by any outsider into their affairs. There was notable

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animosity in the personal relationship between Hedden and Wisner, the DDP. In April 1952, Hedden made the mistake of submitting to Smith two operational recommendations without consulting the responsible officials. Wisner seized the opportunity to raise the general issue with Smith, who responded by enunciating the standard Army doctrine on the subject: the Inspector had no command authority; Smith would not consider any recommendation from him unaccompanied by the comments and recommendations of the responsible officers in the chain of command.193/

Wisner wanted a confrontation with Hedden in the presence of the DCI. Smith said no, they must first attempt to settle the matter between themselves. (After Wisner had left, he no doubt instructed Hedden privately.) On 13 May 1952, Wisner, Johnston, [REDACTED] McClelland, and Hedden met and signed a formal memorandum of understanding regarding correct procedure.*

* Frank Wisner was the DDP, of course. Kilbourne Johnston was the ADPC and [REDACTED] was his Deputy. [REDACTED] was the Acting ADSO, and Harold McClelland the AD, Communications. [REDACTED]

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In a postscript Hedden expressed disgruntlement that it should have been thought necessary to record in writing anything so obvious.194/

An adequate definition of Stuart Hedden's functions as Inspector General would be that he was General Smith's personal handyman. He made a formal "survey" of OSI* and tours of inspection [REDACTED]

[REDACTED] but he served also as General Smith's personal agent in several covert matters having nothing to do with inspection.195/

Stuart Hedden was no respecter of persons. His sharp criticisms antagonized many vested interests in CIA, especially in the clandestine services.** But he retained the confidence of Bedell Smith, who admired his forthright honesty, toughness, and judgment 197/ -- and he conceived that he was working only for Bedell

* See Volume III, pp. 151-52.

** He held a generally poor opinion of the management of clandestine operations.196/ Smith, who thought that Dulles and Wisner were not being candid with him, must have valued Hedden's independent check on them.

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Smith. His advice to his successor, Lyman Kirkpatrick, was "insist that Allen [Dulles] agree that you are responsible only to him"198/

Stuart Hedden resigned as soon as it became known that Bedell Smith was leaving the Agency. His letter of resignation stressed that it had always been his intention to leave when Smith did, and that no want of confidence in Allen Dulles was to be inferred from his action.199/ He evidently expected that inference to be made. The fact was that he did not think Allen Dulles a good choice for DCI. He would have preferred William Donovan.200/

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Appendix A

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3. Souers to Montague (1, above), par. 17.
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23. Jackson to Montague, [HS/HC-400, item 2, par. 9.]
24. *Ibid.*
25. *New York Herald Tribune*, 18 Aug 50, [REDACTED]
26. Lawrence Houston to Ludwell Montague, 14 Jul 70.
27. Darling, Interview with Magruder, [CIA Historical Staff files;] author's recollections.
28. William Donovan to Maj. Gen. W. B. Smith, 17 Sep 43, [HS/HC-497.]
29. *Ibid.*
30. Sir Kenneth Strong, *Intelligence at the Top*, London, 1968, p. 85.
31. *Ibid.*, p. 127.
32. *Ibid.*, pp. 154-180; Senate Armed Services Committee. Nomination of General Smith (20, above); author's recollection of remarks by Gen. Smith.

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33. Jackson to Montague (23, above), pars. 10, 11, 13.
34. Senate Armed Services Committee, Nomination of General Smith (20, above).
35. Houston to Montague, [HS/HC-400, item 4.]
36. Memo, Lawrence R. Houston, for Lt. Gen. W. B. Smith, 29 Aug 50, Office of the General Counsel.
37. *Ibid.*
38. *Ibid.*
39. Senate Armed Services Committee, Nomination of General Smith (20, above).
40. Letters, William Donovan to General Smith, various dates from 21 Sep to 20 Oct 50, [REDACTED]
41. Houston to Montague, 14 Jul 70.
42. Allen W. Dulles, *The Craft of Intelligence*, p. 5.
43. Letter, Donovan to Smith, 21 Sep 50 (40, above).
44. Walter Pforzheimer to Ludwell Montague, 29 Jul 70.
45. *Ibid.*
46. [REDACTED] IAC Minutes, USIB Secretariat.
47. Souers to Montague (1, above), par. 22.
48. William R. Harris, "March Crisis 1948, Act I," *Studies in Intelligence*, Vol. 10 (1966), No. 4, pp. 1-22.
49. Dulles, Jackson, and Correa, *Report to the NSC*, [HS/HC-80, p. 74-75.]
50. John Earman to Ludwell Montague, [HS/HC-400, item 6.]
51. Walter Pforzheimer to Ludwell Montague, 29 Jul 70, quoting Gen. Charles P. Cabell, who was a member of the IAC in 1950 and was later DDCI.

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52. Montague, "Personal Recollections of General W. B. Smith," [HS/HC-400, item 5; HS/HC-401,] pp. 64-67.
53. William Jackson to Ludwell Montague (23, above), par. 12.
54. Montague, "Personal Recollections....," (52, above), par. 8.
55. ORE 58-50, "Critical Situations in the Far East", 12 Oct 50, [CIA Historical Staff,] "Study of CIA Reporting on Chinese Communist intervention in the Korean War, September-December 1950," [Tab H, HS/HC-55, item 1.]
56. [REDACTED] (46, above), par. 2.
57. NSC 50, [HS/HC-80,] pp. 2-3.
58. Col. Hamilton H. Howze, "Notes on IAC Meeting, 20 October 1950" (for Maj. Gen. A. R. Bolling, AC of S G-2), ICAPS File, [REDACTED]
59. Dulles, Jackson, and Correa, *Report to the NSC* (49, above), pp. 65-70; [REDACTED] (46, above), par. 6.
60. W. H. Jackson to the DCI, 16 Oct 50, Office of the General Counsel, [REDACTED]
61. Jackson to Montague (23, above), par. 11.
62. [REDACTED] (46, above), par. 6-8.
63. *Ibid.*, par. 7.
64. *Ibid.*, par. 9-10.
65. [REDACTED] IAC Minutes, USIB Secretariat, par. 2-3.
66. *Ibid.*, par. 7-8; author's recollection.
67. IAC Minutes, 2, 9, 11, 16, and 21 Nov 50, and IAC Progress Reports, 15 Nov, 6 Dec 50, [REDACTED]

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68. Author's recollection of the time.
69. James Q. Reber, Memo for Record, 14 Nov 50, IAC Minutes (67, above).
70. *Ibid.*; author's recollection of the occasion.
71. Minutes, Director's Staff Meeting, 18 Apr 51, [REDACTED]
72. DDI Diary, 1 Feb 52, [REDACTED]
73. Lawrence Houston to Ludwell Montague (35, above).
74. Minutes, Director's Staff Meeting, 11 Jun 51 (71, above).
75. NSC 68/4, Annex 6, [REDACTED]
76. IAC-D-29/2, 7 Sep 51, USIB Secretariat.
77. IAC-M-44, 10 Sep 51, USIB Secretariat.
78. NIA Directive No. 2, 8 Feb 46, [HS/HC-450, item 4.]
79. HS/HC-401, pp. 37-38.]
80. Author's personal recollection and comment.
81. Dulles, Jackson, and Correa, Interim Report No. 2, "Relations between Secret Operations and Secret Intelligence," 13 May 48, [REDACTED]
82. Memo, Hillenkoetter, DCI, to the Exec. Secy., NSC, 4 Jun 48, [REDACTED]
83. Frank Wisner, Memorandum of Conversation and Understanding, "Implementation of NSC 10/2," 12 Aug 49, [REDACTED]
84. Lawrence Houston to Ludwell Montague, 12 Nov 70.

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85. Memo, Houston, Pforzheimer, and Wisner, for the DDCI (*sic*) "Proposed Revision of NSC 10/2," 5 Oct 50, [REDACTED]
86. Houston to Montague (35, above).
87. Howze, "Notes on IAC Meeting, 20 October 1950" (58, above), par. 6.
88. Memo, Wisner for the DCI, "Interpretation of NSC 10/2 and Related Matters," 12 Oct 50, [REDACTED]
89. *Ibid.*
90. Dulles, Jackson, and Correa, *Report to the NSC*, (49, above), pp. 11, 136.
91. [REDACTED] to Ludwell Montague, 2 Dec 70.
92. Walter Pforzheimer to Ludwell Montague, 29 Jul 70.
93. Lyman B. Kirkpatrick, Jr., *The Real CIA*, New York, 1969, p. 93.
94. *Ibid.*, pp. 7-74.
95. *Ibid.*, pp. 94-95.
96. Minutes, Staff Conference [REDACTED] 12 Feb 51, [REDACTED]
97. Minutes, Daily Staff Meeting, 9 Feb 51 (71, above).
98. Kirkpatrick, *op. cit.* (93, above), p. 93.
99. Minutes, Daily Staff Meeting, 13 Dec 50 - 7 Feb 51, (71, above).
100. Strong, *op. cit.* (30, above), pp. 182-84.
101. Minutes, Daily Staff Meeting, (71, above), [REDACTED]
102. Minutes, Weekly Staff Meeting (71, above), [REDACTED]

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103. SC-M-1, 18 Dec 5 (96, above).
104. SC-M-4, 8 Jan 51 (96, above).
105. Minutes, Director's Meeting, 24 Jan 52, [REDACTED]
106. SC-M-19, 28 May 51 (96, above), [REDACTED]
107. SC-M-23, 9 Jul 51 (96, above), [REDACTED]
108. Walter Pforzheimer to Ludwell Montague, 16 Oct 70.
109. John Earman to Ludwell Montague, 10 Nov 70.
110. George Jackson and Martin Claussen, "*Organizational History of the Central Intelligence Agency, 1950-1953*, hereafter *Organizational History*, Vol. X, p. 41.
111. Lawrence Houston, [REDACTED] Walter Pforzheimer, and Lawrence White to Ludwell Montague during October 1970.
112. Pforzheimer to Montague, 13 Oct 70.
113. Lawrence White to Ludwell Montague, 15 Oct 70.
114. Jackson and Claussen, *Organizational History* (110, above), X, 49-51.
115. White to Montague (113, above).
116. *Ibid.*; also HS/HC-239 [REDACTED]
117. Jackson and Claussen, *Organizational History*, (110, above), X, 52.
118. White to Montague (113, above).
119. General Order No. 38, 1 Dec 50, [REDACTED]
120. Contract, A.W.D., 22 Dec 50, par. 2, [HS/HC-231.]
121. Dulles, Jackson, and Correa, *Report to the NSC* (49, above), pp. 10, 104-05, 129, 134.

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122. Allen W. Dulles, *The Craft of Intelligence*, New York, 1963, p. 5.
123. Minutes, Daily Staff Meeting, 21 Dec 50 (71, above).
124. Contract, A.W.D., 22 Dec 50 (120, above).
125. William Jackson to Ludwell Montague (23, above), par. 17.
126. John Earman to Ludwell Montague, 10 Nov 70.
127. Walter Pforzheimer to Ludwell Montague, 24 Jul 70.
128. William Jackson to Ludwell Montague (23, above), par. 5, 17, 19.
129. Wayne Jackson to Ludwell Montague, quoting Gordon Gray.
130. Jackson and Claussen, *Organizational History* (110, above), II, 47-48.
131. Howze, Notes (58, above).
132. Memo for Record, George Jackson and Martin Claussen, "Interview with Loftus E. Becker," 18 Apr 55, [HS-2, Historical Staff.]
133. *Ibid.*
134. Regulation No. 1-130, 20 Mar 53, [REDACTED]
135. Author's recollection.
136. DDI Diary, 1 Feb 52, (72, above).
137. Jackson and Claussen, Memo for Record (132, above).
138. Minutes, Director's (Deputies') Meetings, (71, above, [REDACTED])
139. *Ibid.*
140. William Jackson to Ludwell Montague, 9 Dec 69; Meredith Davidson to Ludwell Montague, 12 May 71, with regard to Smith's opinion of Wisner.

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141. Personal recollections of the author, whose father was a military intelligence officer, 1919-1923, and who saw for himself the state of military intelligence in 1940.
142. W. B. Smith, DCI, *Report to the NSC on the Implementation of NSC 50*, 23 Apr 52 [REDACTED]
143. Letter, DCI to Secretary of Defense, 5 Mar 51 [REDACTED]
144. SC-M-7, 29 Jan 51 (96, above); Minutes, Director's Meeting 26 Apr 51 (71, above).
145. Walter Pforzheimer to Ludwell Montague, 26 Oct 70.
146. Memo from the DCI to the DDA (McConnel), ADPC (Wisner), ADSO (Wyman), and DTR (Baird), 22 Mar 51 [REDACTED]
147. CIA Regulation No. 70, 18 Apr 51 [REDACTED]
148. *Ibid.*, 1 Jul 51.
149. SC-M-27, 17 Sep 51 (96 [REDACTED])
150. CIA Notice 78-52, 19 Jun 52 [REDACTED]
151. CIA Notice P-11-52, 1 Jul 52 [REDACTED]
152. Minutes, Director's Meeting, 7 Dec 51 (71, above, [REDACTED])
153. *Ibid.*, 13 Dec 51.
154. SC-M-33, 17 Dec 51 (96, above) [REDACTED]
155. Minutes, Director's Meeting, 1 Aug 51 (71, above, [REDACTED])
156. *Ibid.*, 11 Dec 52 [REDACTED]
157. Smith, *Report to the NSC* (142, above).
158. Frank R. Reynolds, Draft, "The CIA Cable Secretariat-Messsage Center, 1952-69," pp. 4-24, Cable Secretariat.

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160. *Ibid.*, 26 Jul 51.
161. Frank Reynolds to Ludwell Montague, 13 Nov 70.
162. John Earman to Ludwell Montague, 10 Nov 70.
163. Reynolds, *op. cit.* (158, above), pp. 25-26.
164. Gordon Butler to Ludwell Montague, 12 Nov 70.
165. Reynolds, *op. cit.* (158, above), pp. 51-52.
166. Memo from the DCI (Smith) to the DDCI (Dulles), 15 Jul 52, [HS/CSG-17.]
167. Minutes, Daily Staff Meeting, 19 Dec 50 (71, above, [REDACTED])
168. SC-M-7, 29 Jan 51, (96, [REDACTED])
169. Minutes, Daily Staff Meeting, 26 Dec 50 (71, above, [REDACTED])
170. SC-M-18, 14 May 51 (96 [REDACTED])
171. Omar N. Bradley, *A Soldier's Story*, New York, 1951, pp. vii, xii, 17, 563.
172. The Executive Assistant's Official Diary, 24 Sep 51, [REDACTED]
173. Martin Claussen, Draft "Status Report on the CIA History," 17 Jun 58, pp. 3-4, Historical Staff.
174. Arthur Darling to Ludwell Montague, 1952.
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181. *Ibid.*, 25 Jun 51 [REDACTED]
182. Jackson's "surveys" were frequently mentioned at the Director's meetings throughout 1951. *Ibid.* [REDACTED]
[REDACTED]
183. *Ibid.*, 18 Jun 51 [REDACTED]
184. *Ibid.*, 6 Jul 51.
185. John Earman to Ludwell Montague, 10 Nov 70.
186. Walter Pforzheimer to Ludwell Montague, 26 Oct 70, quoting Stuart Hedden to Pforzheimer, 1952.
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188. Minutes, Director's Meeting, 11 Sep 51 (71, above, [REDACTED])
189. *Ibid.*, 16 Oct 51.
190. Kenneth Greer, Draft "History of the Office of the Inspector General," pp. 5-6.
191. Minutes, Director's Meeting, 22 Aug 51 (71, above, [REDACTED])
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193. *Ibid.*, pp. 21-23.
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195. *Ibid.*, pp. 8-15, 25-27.
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- 197. Walter Pforzheimer to Ludwell Montague, 26 Oct 70.
- 198. Greer, *op. cit.*, (190, above), p. 30.
- 199. *Ibid.*, p. 29.
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